MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2308 Docket No. 6879

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [X] On-site Exam. Report (Tab) 11/10/72
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

CLOSED FILE

72195-65

I-C-DC-OME-1(b)-74

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF AUDIT AND INVESTIGATION

Report of Review Contract No. 2308
Docket No. OME 6879 (Gold)
Mystic Mining Company
Sun City, Arizona

Washington, D.C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
OFFICE OF AUDIT AND INVESTIGATION
Audit Operations, Region I
801 19th Street, N.W., Room 1115
Washington, D.C. 20240

April 3, 1974

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I
Office of Audit and Investigation

Subject: Report of Review - Contract No. 2308
Docket No. OME 6879 (Gold)
Mystic Mining Company
Sun City, Arizona

As requested by the Chief, Office of Minerals Exploration, we made a cost review of Contract 2308. The results of our review are shown in the attached report.

Frank V. Lessard

Attachment

Cost Review of Contract No. 2308
Docket No. OME 6879 (Gold)
Mystic Mining Company
Sun City, Arizona

We reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to mineral exploration contract No. 2308 with the Mystic Mining Company (Operator) made under Public Law 85-701 and examined the related disbursement records of the Branch of Budget and Finance, Administration Division, Geological Survey. The review was completed during March 1974, at Washington, D.C.

The contract was awarded December 5, 1972, for $27,000, the maximum allowable cost of the contract, with OME participating on a 75-percent basis, or not in excess of $20,250. Work under the contract was to begin January 15, 1973, and was to be completed within 5 months from the date of the contract or by May 5, 1973. The description of the work and items in the estimated cost categories were amended and revised April 27, 1973, with no increase in the total cost estimate.

The Operator was to explore, by drilling, for gold-bearing ores in a mineralized fault zone cutting Precambrian schists at the south end of the Hieroglyphic Mountains near Sun City, Maricopa County, Arizona. A sample of the cuttings obtained from hammer-drilling was to be tested by geochemical methods for gold, silver, copper, lead and zinc content.

Repayment of disbursed Federal funds plus simple interest at 8¼ percent was to be made on the basis of established royalties of all minerals and metals produced from the land during the exploration operations and

for a period of 10 years from the date of the contract should a certification of possible production be issued by OME.

The Operator submitted three vouchers showing costs incurred of $35,157 of which OME accepted $27,000 and reimbursed the Operator $20,250 for OME participation. The units of work authorized and approved under Contract 2308 are summarized on Exhibit I. Except for a $23 overcharge, for which no adjustment to accepted costs is recommended, we believe that the claimed and accepted costs incurred were proper under the terms of the act and the provisions of the contract.

Frank V. Tossetti
Regional Director

EXHIBIT I

Cost Review of Contract No. 2308
Docket No. OME 6879 (Gold)
Mystic Mining Company
Sun City, Arizona
Summary of Contract Terms and Costs

Actual Costs	Costs Accepted by OME and Approved By Audit
Category (1) Independent Contracts	
Drilling	
Mobilization and demobilization	$200
Hammer drilling	5,580
Core drilling NXWL (NQ)	16,189
Setting and pulling casing	245
Category (7) Miscellaneous	
Preparing samples for analysis	178
Geochemical analysis	845
Recheck of sample pulps	42
Sample sacks	171*
Fixed Unit Costs	
1 Supervisor's costs	2,000
1 Sampler	1,000
Payroll taxes 15% of $3,000	450
Office expense	100
Total Costs	27,000

*Includes a duplicate billing on Invoice No. 02939, and minor errors on Invoice No. 02423 totaling $23 for which no adjustment to accepted costs is recommended.

March 1974

Government's copy

OME Region III
RECEIVED
MAY 3 - 1973
Denver, Colorado

EXPLORATION CONTRACT
ALBERT C. HARDING AND LEITH PIKE, a partnership, d.b.a.
MYSTICK MINING COMPANY

OME-6879

Amendment No. 1

It is agreed this 27th day of April, 1973, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Albert C. Harding and Leith Pike, a partnership, d/b/a Mystic Mining Company, hereinafter called the "Operator," that Exploration Contract 2308 (OME-6879) dated December 5, 1972, is amended effective the date of the contract as follows:

In Exhibit A:

(a) The Description of the Work, page 2, is amended to read as follows:

"The work shall consist of preparing four surface drill sites, and drilling one vertical drill hole at each site for an estimated drilling total of 2776 feet. The approximate locations of the holes to be drilled, Numbers 11, 12, 13 and 14, are shown on Figure 2, (revised 1973) entitled "Map Showing Proposed Drilling," which is attached and made part hereof."

(b) Under Estimated Costs of the Project, Actual Costs, on pages 2 and 3, the entire schedule is revised to read as follows:

"Actual Costs

Category (1) Independent Contracts

Drilling

Mobilization and demobilization	$ 200.00
Hammer drilling 1,116 feet at $5.00/ft.	5,580.00
Core drilling-NXWL(NQ) 1,660.37 feet at $9.75/ft.	16,188.62
Setting and pulling casing 10 hours at $24.50/hr.	245.00
Total Category 1	$22,213.62

Category (7) Miscellaneous

Preparing samples for analysis, 178 samples at $1.00	$ 178.00	
Geochemical analysis for gold, silver, copper, lead, zinc 178 samples at $4.75/sample	845.50	
Recheck of sample pulps if individual value exceed:		
Au greater than 1 ppm or Ag greater than 30 ppm, or Pb greater than 3,000 ppm, or Zn greater than 3,000 ppm 14 determinations at $3.00 each	42.00	
Sample sacks 974 at $0.17544	170.88	
Total Category (7)		$ 1,236.38
Total Actual Costs		$23,450.00"

This amendment should not be construed to increase the estimated total cost of the contract, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Except as herein amended, Exploration Contract 2308 (OME-6879), dated December 5, 1972, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

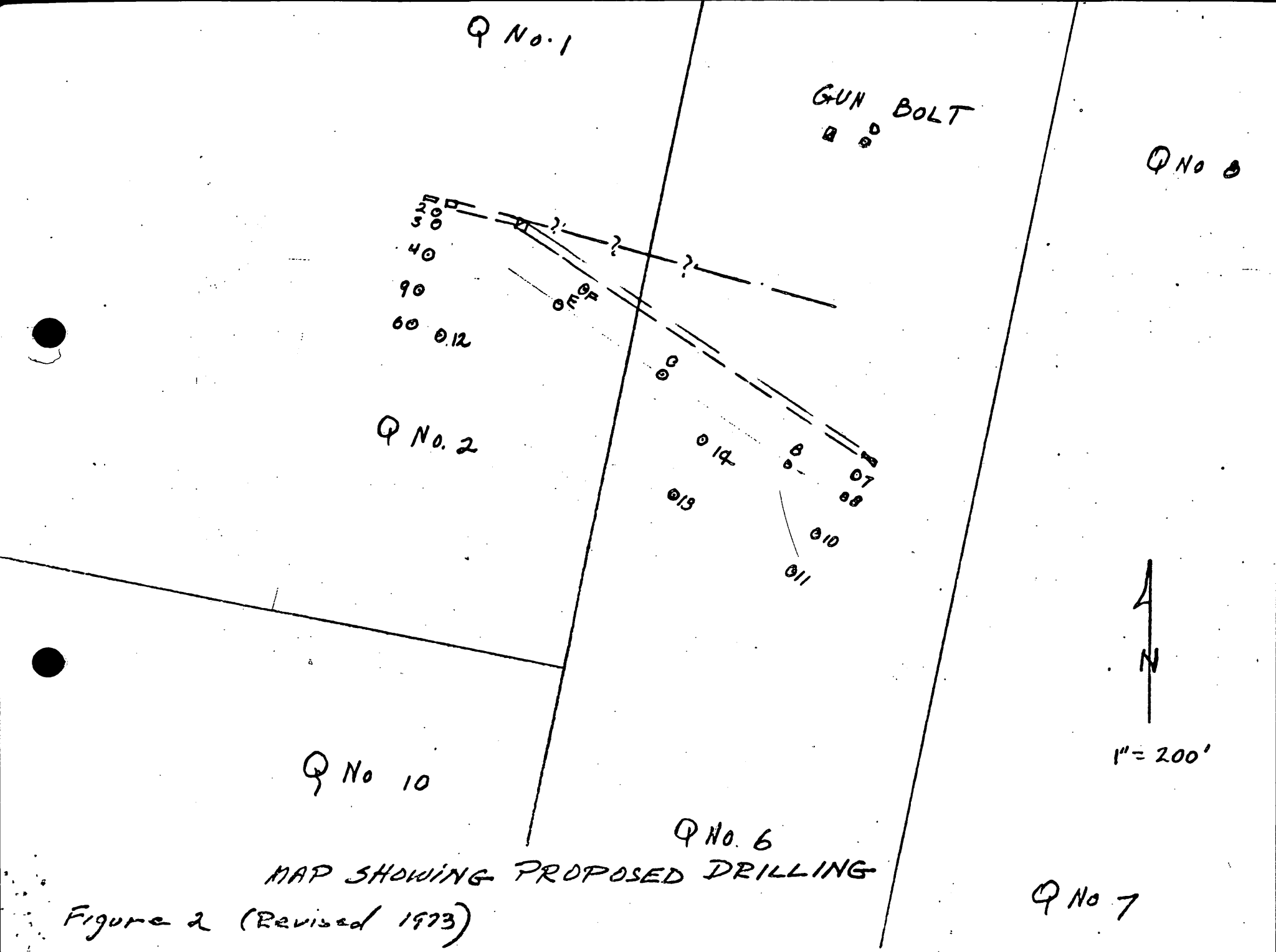
By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

Mystic Mining Company

By Albert C. Harding
Albert C. Harding, Partner

By Leith Pike
Leith Pike, Partner

Appd. Sol. Office Martin 4/25/73
Chapman 4/26/73



MAP SHOWING PROPOSED DRILLING

Figure 2 (Revised 1973)

Government's Copy

OME Region III
RECEIVED
DEC 7 - 1972
Denver, Colorado

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6879	Gold	2306	Maricopa	Arizona

It is agreed DEC 5 1972 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Albert C. Harding and Leith Pike, a partnership, d/b/a

Mystic Mining Company,

whose mailing address is 10726 Hatcher Road, Sun City, Arizona 85351, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before January 15 1973 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 5 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 27,000.00. The Government will contribute ~~XX~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $ 20,250.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of 8½ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's right in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of the same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retains his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or Producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B, B-1 and C and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

Executed in ~~quintuplicate~~ quadruplicate the day and year first above written.

MYSTIC MINING COMPANY
(Operator)

By Albert C. Harding
Albert C. Harding, Partner

~~XXXX~~ Leith Pike
Leith Pike, Partner

THE UNITED STATES OF AMERICA

By Lewis Reuen
~~Director, U. S.~~ Geological Survey
Deputy Assistant
Director for Administration 11/30/72 Martin
Chapman 11/30/72
Appd. Sol. Office
Weiss 12/1/72
Sisbano 12/1/72
Fooke 12/1/72
Albers 12/4/72

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

EXPLORATION CONTRACT
ALBERT C. HARDING AND LEITH PIKE, a partnership d/b/a
MYSTIC MINING COMPANY
OME-6879

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the Contract consists of eleven (11) unpatented lode mining claims in sections 11 and 12, T. 5N., R. 1W., Gila and Salt River Meridian, Maricopa County, Arizona. These claims are recorded in the official records of Maricopa County at Phoenix, Arizona, as follows:

Claim Name	County Docket No.	Page
Question No. 1	9189	256
Question No. 2	9189	257
Question No. 3	9213	671
Question No. 4	9213	672
Question No. 5	9213	673
Question No. 6	9234	682
Question No. 7	9234	683
Question No. 8	9234	684
Question No. 9	9234	685
Question No. 10	9121	866
Gun Bolt	9264	525

These claims are shown on Figure 1, entitled "Mystic Mining Company Question Lode Claims, Maricopa County, Arizona," which is attached and made part hereof.

The Operator is in possession of the Question Nos. 1 - 10 claims by right of location, and of the Gun Bolt claim by virtue of a Mining Option and Lease Agreement between N. O. White, Florette White and Richard White, owners, and the Operator dated February 18, 1972.

A Lien and Subordination Agreements executed by N. O. White, Florette White, and Richard White and dated November 6, 1972 is attached and made part hereof.

EXPLORATION CONTRACT
ALBERT C. HARDING AND LEITH PIKE, a partnership d/b/a
MYSTIC MINING COMPANY
OME-6879

EXHIBIT A

The purpose of the project is to explore by drilling for gold-bearing ores in a mineralized fault zone cutting Precambrian schists at the south end of the Hieroglyphic Mountains near Sun City, Maricopa County, Arizona. The principal objectives are secondarily enriched deposits associated with present or former water tables.

General Provisions

Drill sites and access roads are to be prepared with due regard to maintaining the surface values of the land. Upon completion of the work the Operator shall restore to its approximate original condition any area disturbed by the project work.

The holes shall be drilled with a down-hole air hammer drill from the surface to the water level, and continued downward by diamond core-drilling. Core-drilling shall be completed not less than NX core size or equivalent wire line size (NQ).

Casing shall be used as necessary.

The Government will not contribute to the cost of incomplete holes, or to casing left in the hole at the Operator's request.

A representative sample of the cuttings obtained from hammer-drilling shall be collected for each five-foot interval of hole drilled, and shall be split with one split tested by geochemical methods for gold, silver, copper, lead, and zinc content. The remaining sample shall be appropriately labeled and stored.

All diamond drill core shall be logged and split. No split samples shall represent more than 5 feet of hole. One split of each sample shall be tested by geochemical methods for gold, silver, copper, lead, and zinc content. The remaining splits shall be stored in boxes identified by hole number with markers in the core sections indicating the depths represented.

The stored samples of drill cuttings and core shall be available for additional analyses, and for Government inspection and possible use. Stored samples may be disposed of only with prior approval of the Government.

Preliminary geochemical analyses of the samples will be used to identify sample intervals that contain significant mineralization. Subsequent geochemical analyses may be obtained to confirm the preliminary determinations. Fire assay analysis may be used to determine the content of gold and silver.

True copies of certificates of assay or analysis of all samples, logs of the drilling completed, and maps or sketches showing the location of all samples collected and assayed or analyzed shall be submitted with the Operator's monthly reports.

Description of the Work

The work shall consist of preparing four surface drill sites, and drilling one vertical hole at each site for an estimated drilling total of 2200 feet. The approximate locations of the holes to be drilled, Numbers 11, 12, 13, and 14, are shown on Figure 2 entitled "Map Showing Proposed Drilling," which is attached and made part hereof.

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

Drilling

Mobilization and demobilization	$ 200.00	
Site preparation	200.00	
Surface casing pipe, 50 feet at $7.40/ft.	370.00	
Hammer drilling 1200 feet at $5.00/ft.	6,000.00	
Core drilling - NXWL (NQ) 1000 feet at $9.75/ft.	9,750.00	
Setting and pulling casing, 45 hours at $35.00/hr.	1,575.00	
Casing left in hole, 300 feet at $1.24/ft.	372.00	
Cement, drill mud, and additives, 75 sacks of materials at driller's invoice prices	500.00	
Total Category 1		$18,967.00

Category (7) Miscellaneous

Preparing samples for analysis, 315 samples at $1.00	$ 315.00	
Geochemical analysis for gold, silver, copper, lead, zinc, 315 samples at $4.75/sample	1,496.25	
Recheck of sample pulps if individual values exceed:		
Au greater than 1 ppm, or Ag greater than 30 ppm, or Pb greater than 3,000 ppm, or Zn greater than 3,000 ppm 750 determinations at $3.00 each	2,250.00	
Fire assaying for gold and silver, 15 samples at $4.40/sample	66.00	
Cardboard core boxes, 100 at $1.15 each	115.00	
Sample sacks, 850 averaging about $0.28 each	240.75 (rounded)	
Total Category 7		$ 4,483.00
Total Actual Costs		$23,450.00

Fixed Unit Costs

1 Supervisor, 2 months at $1,000.00/month	$ 2,000.00	
1 Sampler, 2 months at $500.00/month	1,000.00	
Payroll taxes, 15% of $3,000.00	450.00	
Office expense, 2 months at $50.00/month	100.00	
Total Fixed Unit Costs		$ 3,550.00
Total Estimated Cost of the Project		$27,000.00
Government participation at 75%		$20,250.00

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 – 2708
Contract Date DEC 5 1972

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of MARICOPA, State of ARIZONA,

described as follows:[2] GUNBOLT LODE MINING CLAIM

Recorded 2/25/72, dated 2/16/72, Book 9264, Page 525

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

A. C. Harding and Leith Pike d/b/a Mystic Mining Company

hereinafter called the "Operator".[3] In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

NONE

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book _____, Page ____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions NONE (State "None" or "See Annex No.____".)

Dated this 6th day of November, 19 72.

N. O. White (Seal) N. O. White	5313 W. Glenn Dr. (Street) Glendale, Ariz. 85301 (City & State)	
Florette White (Seal) Florette White	Same (Street) (City & State)	
Richard White (Seal) Richard White	Same (Street) (City & State)	
(Seal)	(Street) (City & State)	
(Seal)	(Street) (City & State)	
(Seal)	(Street) (City & State)	

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____ (Corporate Seal)

INT.-DOP. SES., WASH., D.C. 21103

EXHIBIT B-1

CERTIFICATION OF NONSEGREGATED FACILITIES

The undersigned hereby certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. He further agrees that a breach of this certification is a violation of the Equal Opportunity clause in OME Exploration contracts. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

A.C. Harding
Signature

Managing Partner
Title

Nov. 8, 1972
Date

EXHIBIT C

Docket No. OME-6879

CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to federally assisted construction contracts and related subcontracts exceeding $10,000 which are not exempt from the Equal Opportunity clause.)

The federally assisted construction contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The federally assisted construction contractor agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certifications in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

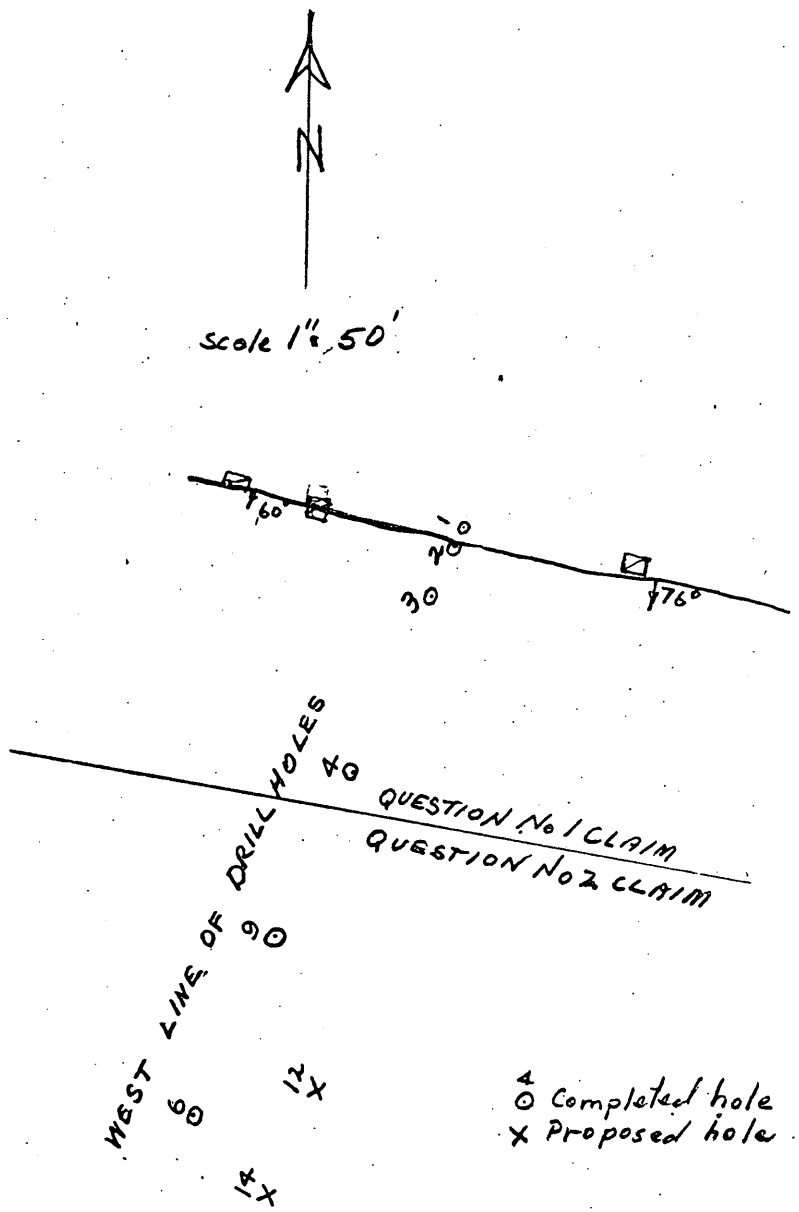
WAYNE SHELTON DRILLING CO.

Wayne Shelton
Signature

Partner - Owner
Title

11/25/72
Date

OME 6879



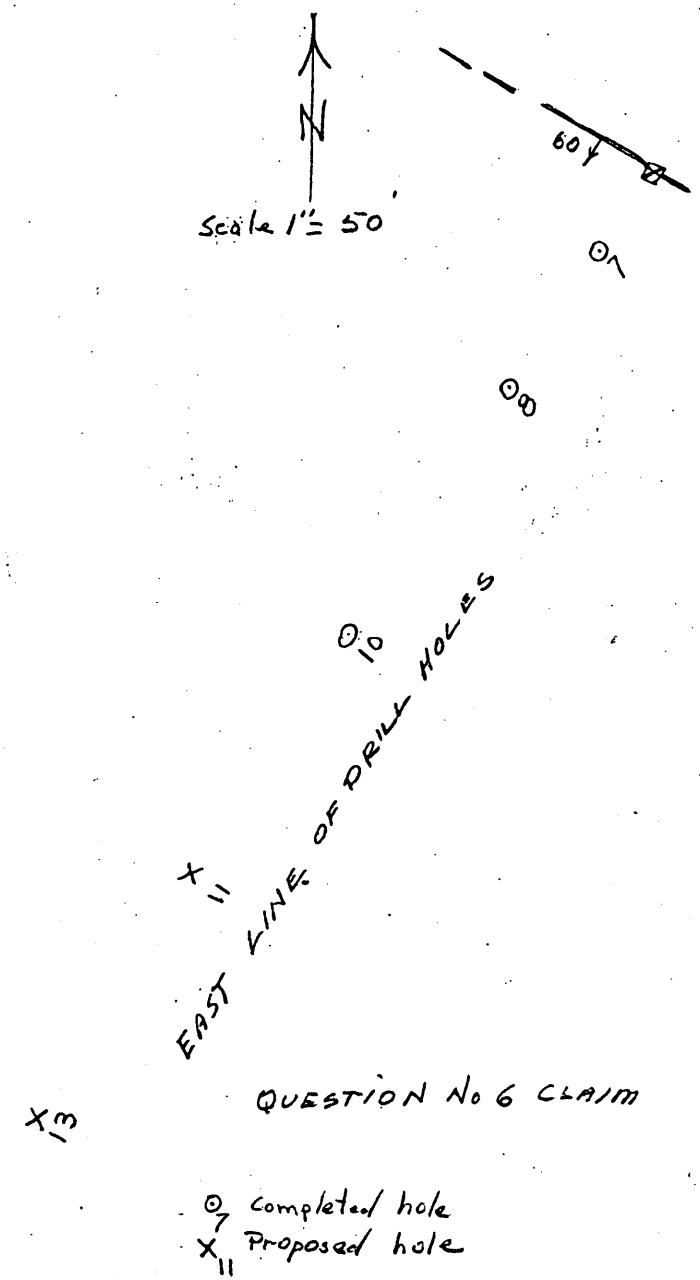
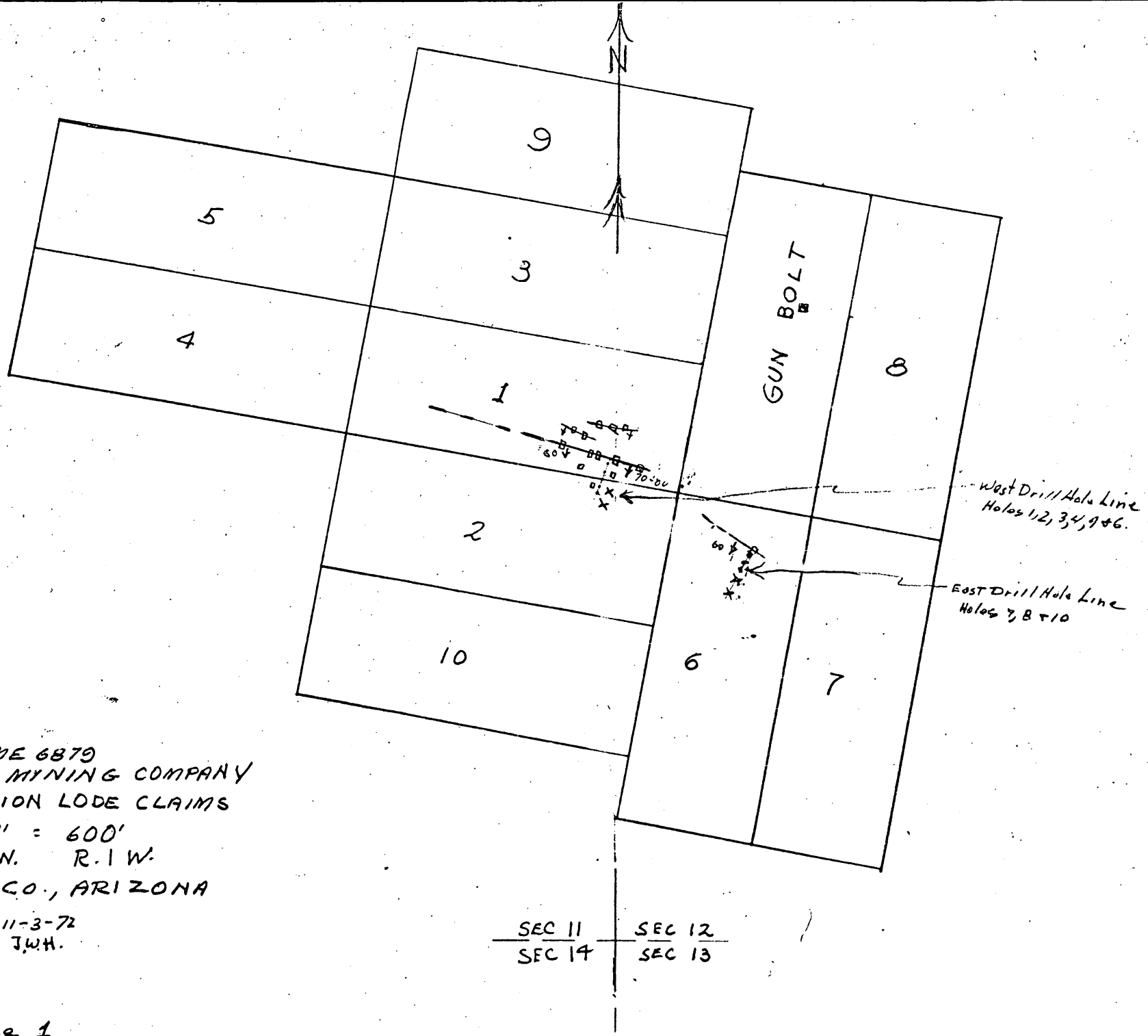


Figure 2 MAP SHOWING PROPOSED DRILLING



OME 6879
MYSTIC MINING COMPANY
QUESTION LODE CLAIMS
1" = 600'
T. 5 N. R. 1 W.
MARICOPA CO., ARIZONA
11-3-72
J.W.H.

Figure 1

AMENDMENT TO MINING OPTION AND LEASE AGREEMENT

OME Region III
RECEIVED
JAN 24 1973
Denver, Colorado

WHEREAS, the undersigned did enter into a Mining Option and Lease Agreement dated February 18, 1972, by and between N. O. WHITE and FLORETTE WHITE, husband and wife, and RICHARD WHITE, ("Lessors"), and A. C. HARDING and LEITH PIKE, doing business as Mystic Mining Company, ("Lessees"); and

WHEREAS, Lessees have drilled one exploration hole near the southeast corner of the Gun Bolt Lode Mining Claim without discovering any minerals of value;

NOW THEREFORE, provided that Lessees, at their sole expense, shall during the month of January, 1973, drill and sample an exploratory hole on said Gun Bolt Claim, at a point designated by N. O. White, for Lessors, and agreed upon by A. C. Harding, for Lessees, to a depth at least equalling two-hundred-feet vertically (200 feet), unless the parties hereto shall sooner agree to the termination of said first hole and the drilling of a second hole for a total of not less than said footage.

IT IS AGREED by and between the parties hereto:

1. That the minimum advance payments set forth in Paragraph 2. of said Option and Lease Agreement shall remain at ONE HUNDRED DOLLARS ($100.00) a month during the second year of this Agreement and until such time as production of minerals commences from either the Gun Bolt Claim or any adjacent claim held by Lessees and thereafter shall be at the rate of Five Hundred Dollars ($500.00) a month so long as the Option and Lease Agreement shall remain in effect.

2. All other paragraphs and provisions of said Option and Lease Agreement shall remain unchanged.

WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO THIS 11th day of January, 1973.

Witness	N. O. White
Witness	FLORETTE WHITE
Witness	RICHARD WHITE
Leith Pike Attest	MYSTIC MINING CO. A. C. HARDING

AMENDMENT TO MINING OPTION AND LEASE AGREEMENT

JAN 24 1973
Denver, Colorado

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2. All other paragraphs and provisions of said Option and Lease Agreement shall remain unchanged.

WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO THIS 11th day of January, 1973.

Witness	N. O. White N. O. White
Witness	Florette White FLORETTE WHITE
Witness	Richard White RICHARD WHITE
Leith Pike Attest	A. C. Harding MYSTIC MINING CO. A. C. HARDING

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 26 1972

INITIALS	CODE
7-27 RSW	

July 21, 1972

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: Application: Mystic Mining Company
Question Mining Claims
Maricopa County, Arizona

The applicant, Mr. Albert C. Harding submitted this application June 29, 1972, to explore for gold on the subject property for a total estimated cost of $56,349.00. I have retained the application pending receipt of bids for assaying, but have not yet received them, consequently I am sending one copy of the application for processing, hoping this will spur Mr. Harding along, with the requested information.

A cursory examination of the application indicates that the property is still very much in the prospecting stage.

I am retaining one copy of the application for my files.

Sincerely yours,

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

MME Form 40
(Revised Nov. 71)

Form approved
Budget Bureau No. 42-R1368

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

ORIGINAL COPY RECEIVED 1972 INITIALS

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

Mystic Mining Company
10726 Hatcher Rd.
Sun City, Ariz. 85351

(Until October 1, 1972, address will be
71 Magnolia, Casper, Wyo. 82601)

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6879

DATE RECEIVED 7-26-72

REGION III

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL ☐
CORPORATION ☐
PARTNERSHIP ☐
OTHER *(Specify)* ☒

A form of limited partnership

STATE IN WHICH FIRM IS ORGANIZED Arizona

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Albert C. Harding	71 Magnolia, Casper, Wyo. 82601	President & Gen. Mgr.
Leith Pike	10744 Hatcher Rd., Sun City, Ariz. 85351	Secty.-Treas.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold

ESTIMATED COST OF PROJECT
$56,349

PROPERTY NAME	LOCATION COUNTY	STATE
Question Mining Claims	Maricopa	Arizona

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

June 22, 1972
DATED

A.C. Harding
BY *(Signature)*
President & Gen. Mgr.
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense.
U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

(submit on accompanying pages)

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include (1) *true copies of your letters to credit sources* which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) *true copies of replies from credit sources.* If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a)

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) If you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates. State your reasons for expecting to find ore.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property state name, address, and telephone number of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show on maps also the relation of the proposed work to any existing mine workings and to *claim boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs for time and materials *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and price of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i. e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price and mobilization charge. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, and materials.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

MYSTIC MINING COMPANY

CONFORMITY WITH "INFORMATION REQUIRED" BY OME

1. Financial Eligibility

(a) Pages 32 - 35 of Report.

(b) There are no affiliated, parent or controlling companies or organizations.

(c) Harding will make deposits to bank account of Mystic Mining Company as necessary for Company's share of exploration cost.

2. Applicant's Rights in Land

(a) Page 10 of Report. Copy of lease on 'Gun Bolt' claim is included with Legal Instruments. There are no liens, mortgages or encumbrances.

(b) See copies of Location Notices as recorded with Legal Instruments. It is not proposed that the projected exploration work will be done on the leased claim.

(c) Not applicable.

3. Physical Description

(a) See page 10 of Report and Plat on page 5.

(b) Acquired previous working by virtue of Locations.

(c) Apparently no previous commercial production.

(d) No proven reserves. See page 25 of Report for Potential estimate.

(e) See pages 9, 12, 13 and Plat and Cross-sections on pages 5, 6, and 7 of the Report.

(f) See page 15 and following, for earlier 1972 drilling, and appended 33 pages of copies of laboratory reports, etc. See page 22 regarding 'Water Table' and page 25 regarding existing and potential values, as reaskns for expecting to find ore.

(g) The enlosed report is the only existing one.

4. Accessibility of Property

(a) See pages 8 and 11 of Report.

(b) See page 8 of Report.

5. Exploration Work

(a) See page 26 of the Report and the cross sections on pages 6 and 7.

(b) No access road construction necessary for the proposed project, but probably a little work to reach some drill sites.

(c) See page 27 of the Report.

6. Experience

See pages 11 and 27 of the Report.

7. Estimate of Costs See pages 28 - 30 of the Report.

(a) See pages 28 and 29, for drilling contractor's quotation and our calculations regarding per foot costs; also page 15 for supplemental information about contractor. Our experience with Shelton over three year period, plus his experience in particular drilling problems to be encountered in the proposed project, plus availability of two rigs necessary for different types of drilling required, and knowledge that his past prices and current quotation are better than other contractors, should obviate any advantage in getting additional bids.

Some dozer work may have to be contracted, but shoud be minimal, and will not be necessary for the first hole or two, at least.

(b) See page 27 of the Report.

(c) See page 30 of the Report.

(d) None required.

(e) None required.

(f) As was done earlier in 1972, a small aluminum shed, which can be moved in on a truck, perhaps 6' x 12', will be purchased for storage of coreboxes, samples, etc. Delivered cost should not exceed $200 with padlock.

(g) See page 30 of the Report.

MYSTIC MINING COMPANY

EXPLORATION PROJECT

IN

MARICOPA COUNTY

ARIZONA

LEITH PIKE
10744 Hatcher Rd.
Sun City, Ariz. 85351

PREPARED BY:

A. C. HARDING
10726 Hatcher Rd.
Sun City, Ariz. 85351
&
71 Magnolia Ave.
Casper, Wyo. 82601

INDEX

	Page
SUMMARY	3
PLAT OF CLAIMS	4
PLAT - AREA OF WEST DRILL HOLE LINE	5
CROSS SECTION - WEST DRILL HOLES	6
CROSS SECTION - EAST DRILL HOLES	7
LOCATION	8
AREA GEOLOGY	9
HISTORY	10
MYSTIC MINING COMPANY	11
MINERAL FORMATION	12
MINERALIZATION	13
DRILLING	15
SAMPLES	16
DRILL HOLES	16
Hole No. 1	16
Hole No. 2	17
Hole No. 3	18
Hole No. 4	18
Hole No. 6	18
Hole No. 9	19
Hole No. 7	20
Hole No. 8	20
Hole No. 10	21
PRESENT VERSUS FORMER WATER TABLE	22
SUMMARY OF DRILL HOLE VALUES	23
West Drill Hole Line	23
East Drill Hole Line	23
AVERAGE THICKNESS & VALUE	24
TRUE THICKNESS	24
EVIDENCE OF LEACHING	24

INDEX (CONT.)

SUMMARY OF EXISTING VALUES
& ESTIMATE OF POTENTIAL VALUES 25

Existing 25
Potential 25
Secondary Enrichment 25

EXPLORATION PROGRAM 26

SUPERVISION 27

QUOTATION FROM DRILLING CONTRACTOR 28

PROPOSED CONTRACT DRILLING 29

PROBABLE COSTS FOR 5,000' 30

OTHER ITEMS TO BE FURNISHED 30

EXPENDITURES - 1972 (To June 1) 31

APPLICATIONS FOR LOAN

Letter to First National Bank, Casper 32
Letter from First National Bank, Casper 33
Letter to The Arizona Bank, Sun City 34
Letter from The Arizona Bank, Sun City 35

SUMMARY

A. C. Harding and Leith Pike, of Sun City, as Mystic Mining Co., during the period March-May, 1972, did exploratory drilling totalling 2,197' in 9 holes on lode mining claims held by them in Maricopa County, Arizona. Most interesting values are in gold, with some lead and zinc and minor amounts of silver and copper.

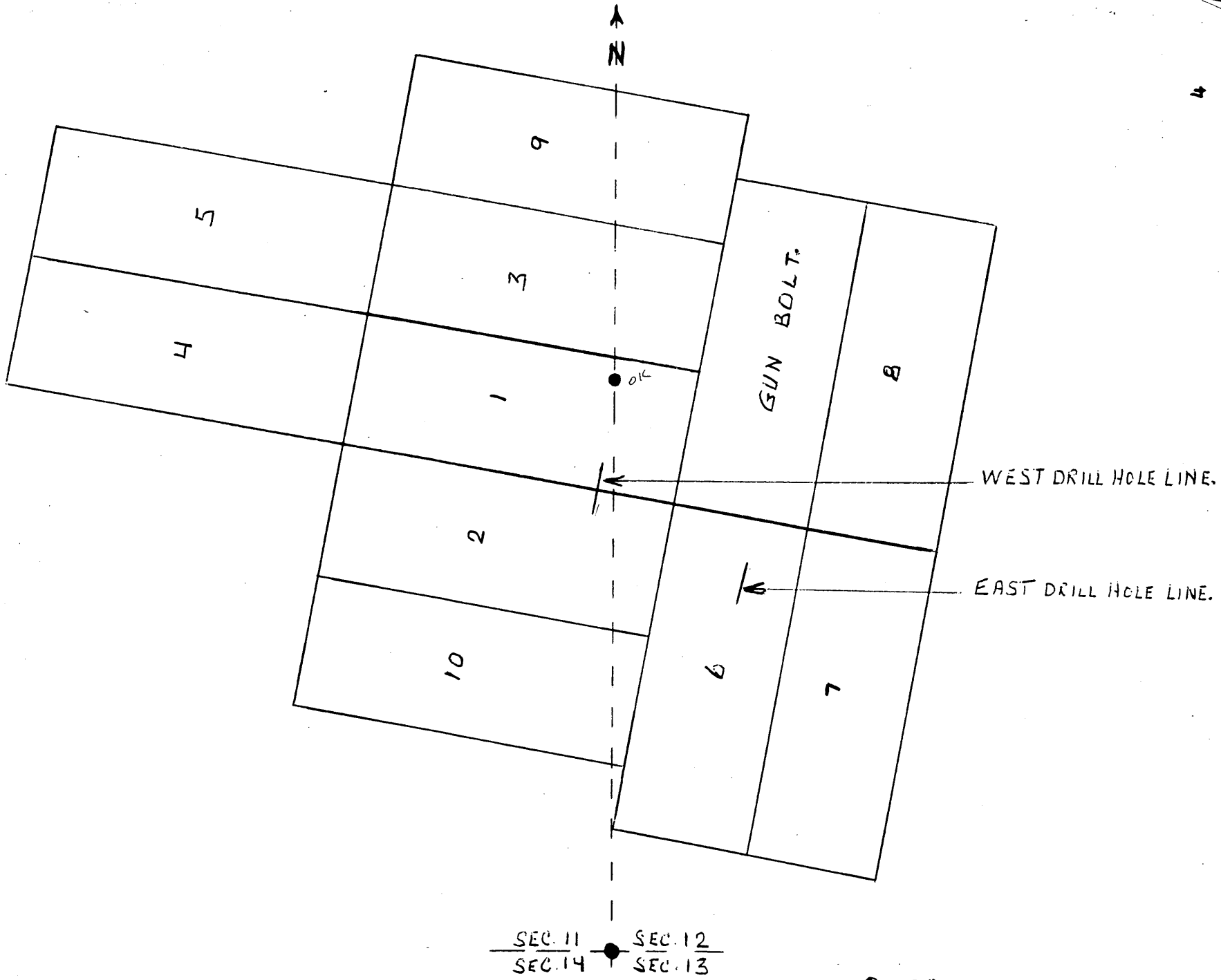
Two drill hole lines were established, about 800' apart, with 6 holes on the West line and 3 on the East line, proving the existence of down-dip (about 60°) continuity to 368' on each line. Although a water table was found at 275-300', minerals are completely oxidized to bottom hole depths and the original water level has not been determined. Leaching is obvious and some secondary enrichment is probable. Several veins exist, as mineralized fissures at right angles to vertically dipping biotite schist host rock. In each drill hole line a single vein has been explored, with some possibility of continuity between them, but obscured because of intervening wash and caliche.

In the West line 5 holes prove the existence of a mineralized hanging wall zone, 10-20' thick vertically, with weighted average of $12.82/ton in the 5 metals, at approximate current market values (gold @ $50), and total mineralization with the fractured schist footwall side, averaging 63', with weighted average value of $4.50/T. Maximum gold assay for a 5' section was 1-5/8 oz, with rechecks at lesser values.

In the East line 3 holes had average mineralized zone 73' thick with average weighted values of $2.70. Best sample was in 14' section near bottom of last hole drilled (No. 10), $8.72 mostly lead and zinc, with some improvement in copper.

With these values, especially converted to a possible 10' thickness, priorto oxidation and leaching, the need for further exploration to and beyond original water level seems obvious. It is proposed to start a second program November 1st to accomplish 5,000' of drilling, in about 8 holes, at total cost of $56,000.

Application is submitted to OME for 75% participation.

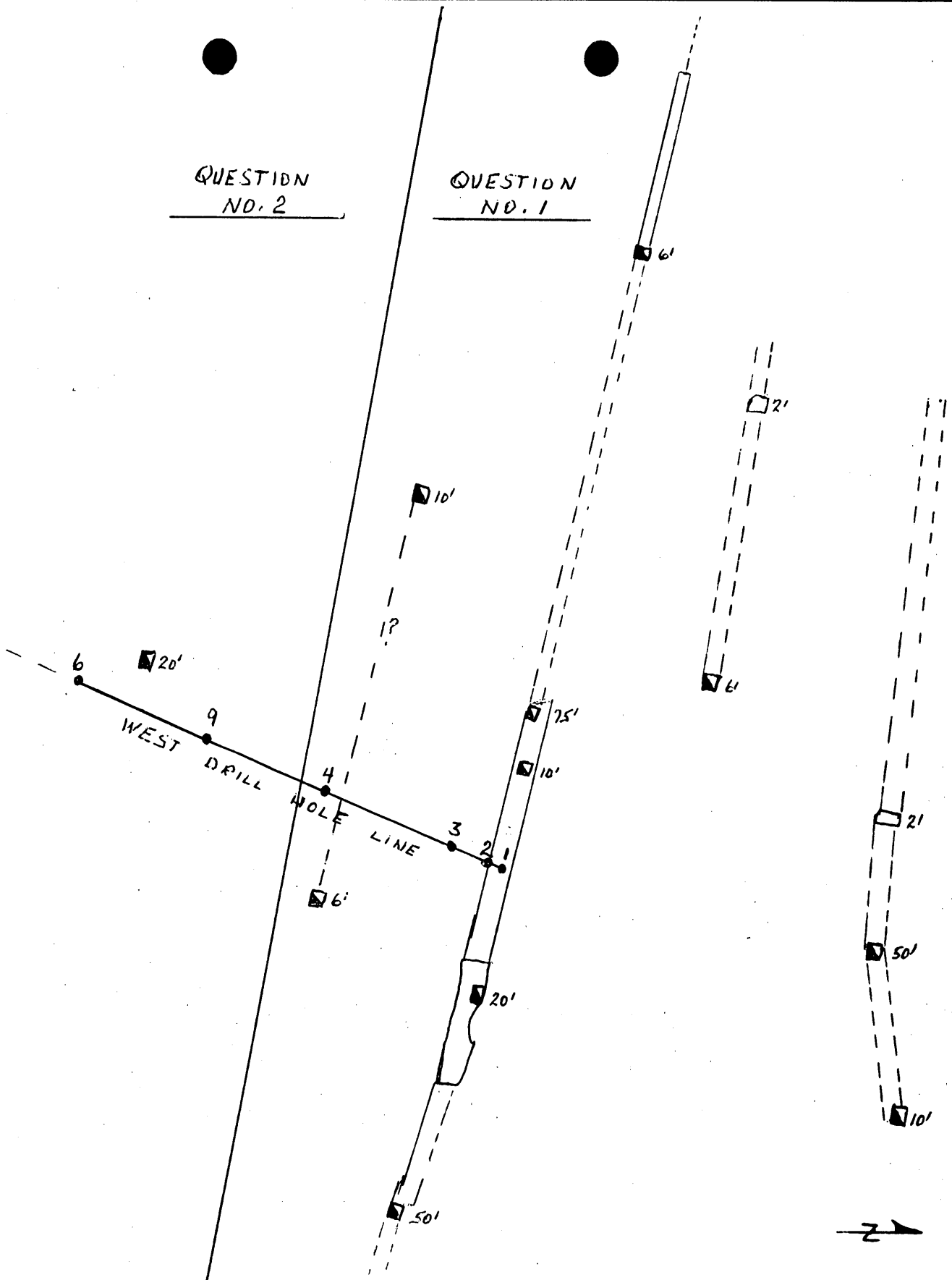


QUESTION LODE CLAIMS

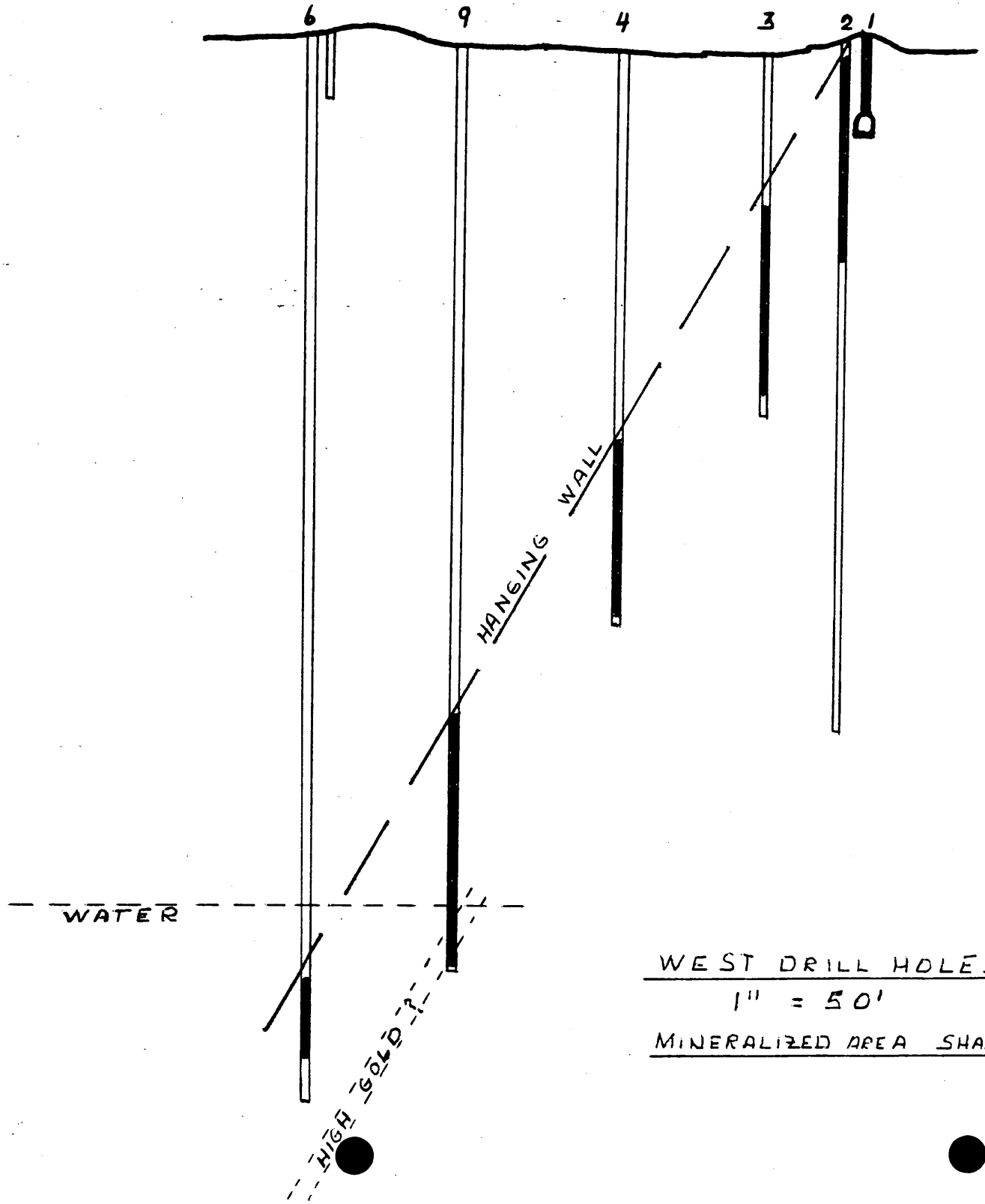
1" = 600'

T. 5 N. — R. 1 W.

MARICOPA CO. — ARIZONA



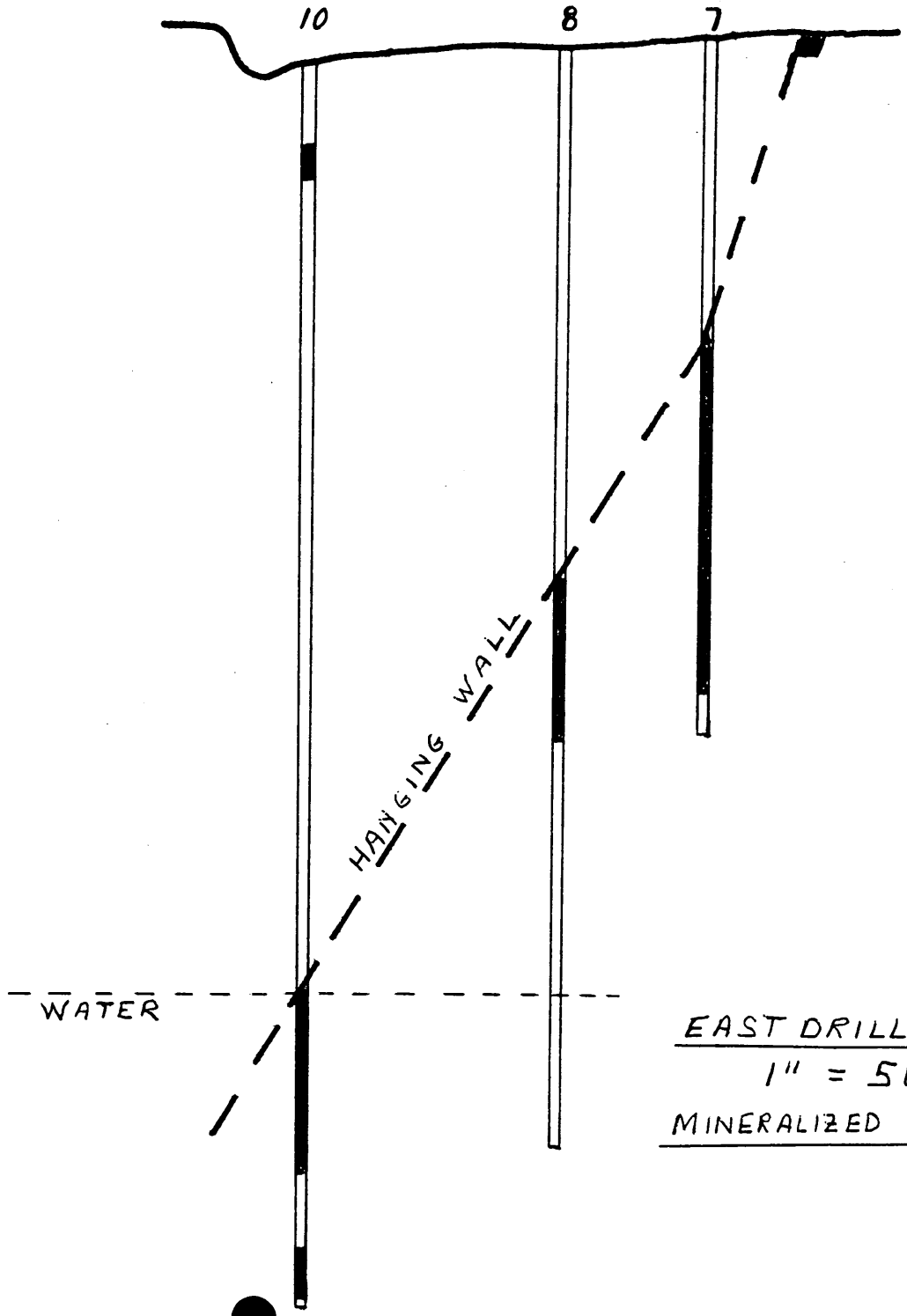
AREA OF WEST DRILL HOLE LINE
SHOWING OLD WORKINGS
1" = 50'



WEST DRILL HOLES

1" = 50'

MINERALIZED AREA SHADED



EAST DRILL HOLES
1" = 50'
MINERALIZED AREA SHADED

LOCATION

The property is on, and extends east from, the northeast flank of Twin Buttes, not to be confused with a town of that name south of Tuscon. These Twin Buttes are about 20 miles northeast of Phoenix. The property is 11 miles north of Sun City, in Sections 11 and 12, T. 5 N., R. 1 W., of the Gila and Salt River Meridian, in Maricopa County, Arizona. It is also about a mile north of the surveyed line for the Central Arizona Project.

Most convenient access is from the intersection of Bell Road with 107th Avenue at Sun City, north 2 miles on oil road, 5 more on a sandy-gravel county road, a slight jog west, then north under a flume of the Beardsley Canal 4 more miles of fairly rough desert trail. Sun City will eventually extend about 2 miles north of Bell Road and there are plans for a shooting range and picnic grounds about 6 miles north of Bell Road, which may involve some improvement of the county road.

Except for a few short grades in and out of normally dry gulches, elevation increases fairly uniformly about 500 feet in the eleven miles. The desert trail section is a little rough on tires, but four-wheel-drive is not necessary to reach the property.

Nominal supplies for the property can be secured in the Sun City - Phoenix area, from 11 to 20 miles distant. A rail shipping point has not been definitely established. There would be some possibility between Sun City and Peoria to the east, perhaps 12 or 13 miles, but the better possibility might be west of Beardsley, about 10 miles west of Sun City, accessible over a gravel road which parallels the canal, but still only about 11 miles from the property.

AREA GEOLOGY

There seems to be no printed material available on the immediate area. It is, however, in an established metallogenic province, whichis the intersection of the north-south Wasatch-Jerome orogony and the east-west Texas Zone, about on a line with Ajo and Jerome, and on a line halfway between Bagdad and Miami.

The property is at the south end of the Hieroglyphic Mountains. Directly south there are no exposed rocks in place. Immediately west and extending about a mile to the southwest are the Twin Buttes, two conical peaks about 600' high, covered with rhyolites and basalts. About a half mile east, extending north and about 2 miles to the southeast is a 300' high escarpment, also covered with rhyolites and basalts. To the north and northwest are schists, believed to be pre-Cambrian, and to the north and east rhyolites, believed to be at least partly intrusive, varying in color from light grey to red. The exposed rocks, therefore, approximate a horseshoe, with Twin Buttes and the escarpment forming the sides, with the opening south, a transition zone from the mountains to a wash and gravel pediment, sloping with unobstructed view to Sun City and beyond.

In the mineralized area of the property there are some dikes, with size not determined, believed to be diabasic. The closest granite noted is an exposure about three miles to the southwest, and about a mile in diameter. A prominent landmark is White Peak, an inactive quartz quarry about a mile southwest of Twin Buttes, and at the northwest edge of the granite exposure.

At the northeast corner of Twin Buttes a light colored, banded, rhyolite outcrop appears and runs several thousand feet westward along the north side of Twin Buttes, becoming much wider to the west. Similarly, in the escarpment to the east a duplicate formation appears, trending north and becoming wider. Any significance or any folding has not been ascertained, but it seems the area has been involved in at least several major faults, trending both east-west and north-south.

HISTORY

Ten lode mining claims, named 'Question No. 1' through 'Question No. 10', centering around the brass cap quarter corner of Sections 11 and 12, were located in January and February, 1972, by A. C. Harding and Leith Pike, after they had first seen the area on a prospecting trip in December, 1971. They were attracted by the gossany appearance of some outcroppings visible from the north-south desert trail through the area. A few samples when assayed showed minimal values, but enough to justify a closer look. On the next trip it was noted that the area had been of interest to many people over the years. On the present property there are probably 35 or more surface 'diggings', including three shafts about 75' deep.

In addition to the 10 claims held by Harding and Pike, they have leased the 'Gun Bolt' claim from N. O. White and Richard White, father and son of Glendale, Arizona. They have offered to lease another claim, the 'Adobe', at the southeast corner of the property, in which NO.O.White formerly had an interest, but now apparently held by Richard White and John Stevenson. Stevenson, amazingly, lives on the claim with a dog, cat, and a few chickens. He is a relict of the vanishing breed of oldtime prospectors, 72 yearsold. The 'Adobe' has been worked for gold and lead, without success, and Stevenson's big interest now is another gold prospect, toward which he and the dog ride,then walk three miles. He has some other income and has been living thusly for about 40 years. N. O. White is another oldtimer, 84, active physically, and an articulately rugged individualist. Our relations have been harmonious, after the first time White phoned me, indignant that we had 'jumped' his Gun Bolt claim. At that time we knew it had never been recorded and assumed it to be abandoned. We amended a couple of our locations which also had not yet been recorded and helped White to make his claim legal. We measured his corners for him, as he had originally stepped off distances with two-foot instead of three-foot steps, and prepared two copies of a correctly filled location form for his and his son's signatures and advised him about recording procedures. We subsequently leased the Gun Bolt and advance royalties are prepaid to January, 1973. We have done no work on that claim.

Stevensen and White have told us that some of the work on what are now our claims goes back sixty years, that two men named Tucker and Morrison lived there for 40 years, during the approximate period 1910-1950, and that Tucker died near there in another cabin. To their knowledge there has been no recent adverse interest in the area and county records indicate none. We have found several old location notices, one in 1961, several in 1962, and one in 1966, at various places on the property. Those location notices were not recorded, nor are there subsequent assessment work affidavits. There is no evidence of recent physical work on the property.

According to N. O. White and Stevenson most of the work previously done in the area was for gold and at one time a one-man cyanide operation was unsuccessfully attempted.

MYSTIC MINING COMPANY

The present holders of the property are Albert C. Harding and Leith Pike, doing business as Mystic Mining Company, a partnership. It was formed by a written agreement March 1, 1970, and a later agreement was executed January 28, 1971. Pike has 20% interest and Harding 80%, with Harding having managerial responsibility and providing the financing. Some exploration work was done in 1970 and in 1971 on claims and state lands, now abandoned.

Pike's residence is 10744 Hatcher Road, Sun City, Arizona. His phone is 933-7051. He is a retired accountant, formerly with Pan American Oil Company at Casper, Wyoming. Currently he acts as auditor for the Sun City Country Club. He had no previous mining experience before becoming associated with Harding.

Harding is a mining engineer (Colo. Sch. of Mines, '37). For the past 25 years he has been a partner in Black Hills Bentonite Company, and for the first 21 years its General Manager. He is only partly active in the business now, spending the winter months at Sun City, maintaining his legal residence at Casper, Wyoming. He has been a president of the Wyoming State Senate (1961), in 1971 was Chairman of the Western Governors' Mining Advisory Council, and this year was appointed by Secretary Morton to the Department of the Interior's

Metals and Minerals Unit of the National Defense Executive Reserve. Harding's Casper address is 71 Magnolia (PH: 237-7225), and his Sun City address is 10726 Hatcher Road (PH: 933-2628). He expects to be in Casper until early October, 1972, and then go to Sun City.

MINERAL FORMATION

The mineralization is in several veins in schist, resulting from creation of fissures, with subsequent mineralizing solutions penetrating the fractured schist. The host rock is an almost vertically dipping biotite schist, believed to be pre-Cambrian. The schist foliation strikes N10°E. The mineralization is in and adjacent to fissures which are at right angles to the schist foliation. From surface indications the fissures dip 60 to 65° to the south, and from drill holes 58 to 71° apparent dips have been plotted. Although there are places where the fissures may be traced by slightly prominent quartz-calcite outcrops, the most obvious indications are reddish-brown outcrops which seem to have little more quartz than the schist country rock. Nothing resembling a quartz vein has been noted in the drill holes.

Most of the previous shallow exploration work in the area has beendone on a small hill, which is a spur off the northeast base of Twin Buttes, and now on the 'Question No. 1' claim. In an area about 400' from east to west and 200' from north to south some 15 pits and shafts have been dug. Because of change in slopes the bottoms of the deeper ones are not visible, but three of them are apparently in excess of 50' and one approximates 75'. In this area there are apparently four fissures, parallel, at about 50' intervals. The total length of the mineralization noted may approximate 3,000', being the full length of 'Question No. 1', extending about 100' or so into 'Question No. 4' to the west, and also across Nos. 6 and 7 to the east. It has not been traced continuously in either direction and continuity is questioned. Although 2 fissures have been noted, with some former work done at the extreme west end of 'Question No. 1', any continuity through the

west half of that claim is obscure. Also obscure is a gap about 600' long to the east, which includes 200' in the southeast corner of 'Question No. 1' and then 400' into a flat area on 'Question No. 6', to the East Drill Hole Line. This area is covered with wash and, where exposed in several shallow gulches, is underlain by a caliche type caprock several feet thick. There is at least a possibility that this has some mineral significance, such as the filling of a former surface depression, which may be related to underground oxidation. The oxidized fissure material at the East Drill Hole Line strikes about N60°W, as compared with strikes of about N80°W on the hill at the West Drill Hole Line, so there is an unresolved question about continuity of a single fissure. Also undetermined this time is any relation of the veins mentioned to an exposure on the 'Gun Bolt' claim. There is a possibility that the Gun Bolt exposure and the exposure at the East Drill Hole Line each have some relation to an intervening dark colored rhyolitic (?) dike, northeast of the East Drill Hole Line.

MINERALIZATION

Initial sampling by Mystic Mining Company involved selected dump material from the old workings, then more random sampling of the dumps of the deeper workings and chipped samples across the exposures in the shallower workings. All tests were made by Arizona Testing Laboratories in Phoenix. Some spectrographic tests indicated, among other things, that the reddish colored rhyolite outcroppings almost invariably contained between one and two pounds of nickel per ton, up to a pound or so of chromium, and small amounts of vanadium. However, attantion finally focused on, and subsequent drill hole samples were tested for, gold, silver, copper, lead and zinc. Eighteen samples on the hill, in the general area of the West Drill Hole Line, averaged $7.60 in values for the five metals, using approximate current market values. For those 18 samples, the highest values for the individual metals were: gold, .11 oz.; silver, .3 oz.; copper, .05%; lead, 2.0%; and zinc, 2.0%.

Our early opinion is reinforced by the drilling we have done, that oxidation has been so thorough, even to the 368' depth of drilling, and the ground so

broken up and permeable, that silver, copper, and zinc could be almost thoroughly leached out. Continual examination of surface and drill hole samples, with a 25 power 'scope, have yet to show any sulfide minerals, even galena, which is less amenable to solution than the other metals named. Identification of cerussite and smithsonite have been nebulous at best, mostly it is believed due to masking by iron oxides, which are abundant.

In only one of all the cores examined were traces of malachite noted, in the core from 82 to 88 feet in Hole No. 3. For that sample the lab reported only 82 ppm copper (about 11 cents @ .50/lb.), but 8.8 ppm gold (about $13.20 @ $50/oz.) In all the other drilling only two pinpoint spots of blue mineral were noted, which may have been covellite.

No silver or gold has been seen in any of the samples. Curiously, the best silver assays came from the first two samples, involving 23' in Hole No. 1, each being reported as 60 ppm, almost 2 ounces. Those assays are suspect, because with the exception of one other sample that had 16 ppm, all other silver tests showed only 1 to 4 ppm. The two higher silver tests have not been rechecked.

The best gold assay was from 310-315 feet (sample 9-63) in Hole No. 9. It was first reported as 43 ppm. We requested a retest and Arizona Testing Lab. sent the pulp elsewhere for a fire assay, and then reported 56 ppm (about 1.65 oz.) At a later date we resubmitted some of the original sample under a different number and it was reported as 9.2 ppm (.27 oz.) The average of the three tests is used elsewhere herein in reporting average values.

From time to time manganese oxide (pyrolusite) has been especially obvious, usually as fine grained particles mixed with the heavily oxidized red rock. In one instance, in a small piece of calcitic core, at 67' in Hole No. 3, it was sufficient to turn the circulating drilling mud black for several minites. A piece of that core was tested separately for confirmation of manganese. In so

confirming, the lab also reported 5% lead and 6% zinc. It was not tested for other metals, but the 20' from 68' to 88' in that hole averaged 6.4 ppm gold (about $9.60 at $50/ oz.). It is quite possible that manganese, along with chlorides assumed to be present in this region, have dissolved part of the original gold, and that gold values could be improved at and below water level, as should be the other metals.

DRILLING

An exploration program by Mystic Mining Company, started March 1, 1972, was planned for two major purposes, (1), to ascertain any down-dip continuation of the mineralization, and (2), to test the mineralization at and below water level, if continuous to that depth. The first goal has been attained to 368', the second has not. Water level was estimated at about 300', and was found at that depth on the hill (the West Drill Hole Line) and at 275' on the flat (the East Drill Hole Line), but in the deepest holes, coincidentally 368' on each line, we did not penetrate the bottom of the oxidized and leached zone.

Drilling was done by Wayne Shelton Drilling Co. of Phoenix. Wayne is a son of Joe Shelton, who in each of two previous years had done some drilling for Mystic at other locations, as Shelton Drilling Co. Joe Shelton does the negotiating and supervising for both companies, and also for CopperState Drilling Co. This year three different methods of drilling were used, totalling 2,197' in 9 holes. Drill holes were numbered 1 through 10, but Hole No. 5 was combined with No. 6, as will be explained below. There are two lines of drill holes, as shown on the accompanying plan and cross-sections, and in the accompanying pictures. On the hill, the West Drill Hole Line includes Holes Nos. 1, 2, 3, 4, 6, and 9. On the flat, about 800' to the east, the East Drill Hole Line includes Holes Nos. 7, 8, and 10.

SAMPLES

Core drill samples were placed in cardboard boxes, marked to identify Hole No. and depth. A manually operated core splitter was used to prepare laboratory samples. Sample bags were marked with Hole No. and depth of sample, and in most instances the laboratory rejects were saved and are now stored, along with the core boxes, in an aluminum shed on the property. Other drill hole samples, from rotary and hammer drilling, blown up through a hole in the surface casing and collected in buckets, were split to manageable size with a laboratory pan splitter, saving several pounds from each sample, in addition to preparing lab size samples. In a few instances, with wet samples, recovered material was coned and quartered. The dry-drilled samples were collected at five feet intervals and numbered consecutively. For instance, a sample numbered 9-50 indicates that it is from Hole No. 9 and from 245-250' depth, multiplying the second number by 5 to determine the bottom depth of that sample.

To better analyze the laboratory reports, it was considered advisable to convert the 'parts per million' returns for 5 metals into dollars and cents. This has been tabulated for each hole, using approximate current market values, and the work sheets are appended hereto. There have been minor changes in the quoted prices of lead and zinc since the tabulation was started, and an appreciable change in gold. The value for gold used herein is $50. Other metals approximate: silver, $1.50; copper .50; lead .16; zinc .18.

DRILL HOLES

The first four holes were diamond drilled with BX cores.

HOLE NO. 1: The first hole was drilled on the vein between two surface cuts. No sample was taken of the first 7', which included about 5' of dump rock. At 30' the drill penetrated a small tunnel driven from one of the adjacent cuts and was discontinued. All of the hole was oxidized, and 23' averaged $9.49.

HOLE NO. 2: The truck mounted rig was moved 9' south and a second hole started. In this hole we started experiencing trouble which was a continual problem through Hole No. 4, mainly slow drilling and poor recovery. Field notes for this hole, dated March 4th, include, .."cored 9' but only recovered 5'. Believe missing 4' was red, friable, rock, ground up between 29' and 36'." In drilling the red oxidized portions of the holes it was usually necessary to pull the core barrel every two feet, to try to get better recovery and, also, because it was argillaceous enough to plug off circulation through the relatively small BX core barrel. Particularly aggravating was the fact that we could get fair recovery while drilling the barren schist, but often less than 50% while drilling the oxidized vein material. Although some sludge samples were taken and tested, because of the thick drilling mud used for wall-building, with the impossibility of screening or otherwise separating sludge material from the bentonitic mud, the sludge samples cannot be considered accurate, but merely as indicative of some mineralized value. The several sludge samples are marked in the same manner as other samples but with the addition of the letter 'S'. The only sludge sample tested in Hole No. 2 was from 47' to 58'. It tested $10.95 in the 5 metals, compared with only $1.39 for the weighted average of the cores.

Hole No. 2 was drilled to 242', being of a general exploratory nature. The first 3' were not tested. From 3' to 13' it averaged $7.17. The 50' from 3' to 53' averaged $3.23. The best gold report was from 67' to 76', 1.2 ppm, about $1.80. From 76' to 86' we only recovered 3 or 4' of core, which was country rock grade. From there to the bottom at 242', it was practically all grey schist, with the exception of 197' to 214', which was oxidized, but by lab tests not distinguishable from the schist. At that depth it was a possible down-dip extension of a vein a hundred feet farther north. The fact that field notes say it 'looks good' suggests some advisability of having a retest.

HOLE NO. 3: This hole is 25' south of Hole No. 2. (The West Drill Hole Line bears about S20°W, so may be about 10 degrees off the true dip, which should be about S10°W.) It was drilled to 131', and was sampled between 51' and 125'. From 67½' to 88', 20½' aver aged $9.71 in gold. The next 30', to 118', averaged $2.85 in gold. In this total area, values for the other metals were minimal, the only thing of interest being from 58' to 67½', which in addition to $1.95 gold had $3.92 zinc. However, there is 60', from 58' to 118', which averages $6.18 for the five metals. The hole finished in solid grey schist.

HOLE NO. 4: This hole is 50' south of No. 3 and was drilled to 204'. Because of considerable lost circulation and core plugging problems, especially past 100', the hole, started March 15, was not finished until March 30. Fourteen working d ays for 204'. A 4' reddish area between 7' and 11' was sampled, then sampling was continuous from 122' to 202'. The last 2', to 204', was not recovered, but we were apparently still in oxidized schist. We hit the vein material just where we had anticipated, at about 138'. This was the only hole in which we apparently hit an igneous intrusion adjacent to the vein, about 8' of reddish rhyolitic rock on the hanging wall. In the next 50' or so we only recovered about half the rock in the core barrel. Eight feet, between 140' and 148;, tested $5.55 in gold. Six feet, 170'-176', had $3.30 gold. A sludge sample, 151'-167', had $3.45 gold, $2.42 zinc, and $6.11 total. Between 140'-176', 36' averaged $2.53 gold.

HOLE NO. 6: This is 104' south of No. 4. Originally it wasplanned to drill Hole No. 5 100' south of No. 4. Because of trouble experienced in No. 4, No. 5 was started with a rotary 5-5/8" three cone bit, drilling dry with a compressor blowing out the cuttings. After getting down 24' in Hole No. 5 the driller thought a piece of steel from the surface casing had fallen into the hole. The rig was moved another 4' south and the number changed to No. 6. We sampled the first 24' of No. 5, and in No. 6 from 25' on, intermittently. This method of drilling was

not satisfactory because bits wore out too quickly. Both the schist and a diabasic dike encountered were too hard for dry drilling. At one time two bits were used up in 22'. The extent of the dike could not be determined. It does not outcrop, but rock from it shows up in an old dump a few feet west of Hole No. 6. The thickness encountered was difficult to determine because recovery was mostly in powder form, rather than chips.

This hole is considered a failure. We had expected to hit both water and the vein at about 300'. There was some dampness at 289' and quite a bit of water at 300', with a small stream thereafter flowing away from the top of the hole. There was a red streak from about 276' to 284' of no values. A minor increase in lead and zinc values occurred 325'-345'. Recoveries were unsatisfactory after hitting the water. After an overnight shutdown the driller believed water was standing in the hole to 275'. The hole caved when the bit was at 368' and had to be abandoned.

HOLE NO. 9: After drilling Holes 7 and 8 farther east on the flat, we returned to drill Hole No. 9, halfway between 4 and 6 (52' from each). Holes 7 and 8 had been successfully and quickly drilled with an Ingersol-Rand 5½" down-hole hammer bit, dry, so it was used on No. 9. With this method recovery was good to water level and cuttings were of larger size than with the conebit. No. 9 was drilled to 315' in two days. In No. 6 with the cone bit it had taken 7 days to reach the same depth. Subsequent core drilling in No. 9 added another 9' to a total depth of 324'. It was an interesting hole. In the first 230' only a couple of spotty values were found; from 100' to 105', $3.70; from 175' to 180', $7.24 with $2.70 gold. From 230' on, values other than gold were just trace amounts. From 230' to 310', eighty feet averaged $2.52 gold and traces of silver; 15' from 230' to 245' averaged $4.50; 10' from 270' to 280' averaged $4.92. At 305' some dampness was noted in the blown out cuttings. There was no dust return after 308', and the last sample, from 310' to 315', produced just a handful of cuttings through the water. The last two samples however, were most interesting. From 305'-310' the test was $5.25 gold. The small sample from 310'-315', as previously reported

herein, on three separate tests reported $62, $84, and $14 in gold and silver, mostly gold. The hole was subsequently cased with 4½" pipe to 274' and another 9' was core drilled. The 9' was schisty, the first 6' of it averaging only one dollar in gold and then was abandoned, due to the driller's fear of breaking the string of pipe by whiplashing in the 5½" open hole and the unduly large sized 4½" casing. We had requested him to secure 3" I.D. casing, which was eventually obtained and used in Hole No. 10. Interesting is the fact that a projection of the 305'-315' gold in No. 9, on the same dip indicated for this area would pass under the 368' depth attained in No. 6. A desire to deepen No. 6 was thwarted because of the caving which had filled it, perhaps from 275' down. It is intended to drill another hole to offset No. 6, perhaps about 50' to the east, and with the benefit of our costly experience, to drill all future holes to water with the hammer bit, then case with 3½" O.D., 3-1/8" I.D., pipe and core drill with NQ size bits.

HOLE NO. 7: This hole started the East Drill Hole Line, about 800' east of the West Drill Hole Line. It is on the flat, and the line bears S30°W, not quite parallel to the West Drill Hole Line. No. 7 was drilled 25' south of a shallow cut in an oxidized outcrop which bears N60°W. This was the first hole drilled with the hammer bit and was completed to 205' in one day. The mineralized area was encountered at 90' with improvement noted at 105'. The best gold sample was 185'-190', $4.65. From 180'-195', 15' averaged $4.34 in all values, and the 105' from 90-195', $2.36.

HOLE NO. 8: This hole is 42' south of No. 7. It was drilled to 325' in one day, finding moisture close to 300'. The best values werein the mineralized area from 160' to 205', with the 45' averaging $2.30. Most of the values were in lead and zinc, with only one sample, 195'-200', showing a dollar in gold.

HOLE NO. 10: This was drilled 75' south of No. 8, near the bottom of a small gulch, about 10' lower in elevation than No. 8. It hit water at 275', was continued with the hammer bit to 300', then eventually with the core bit to 368'. It had to be abandoned there because the contractor had endeavored to finish up the contract with a worn diamond bit and the hole became too tight for further drilling. The 368' depth is coincidentally the deepest penetration on both drill hole lines. Gold values in Hole No. 10 are minimal, but other values are encouraging, and the data obtained is challenging. A small area near the surface, 30'-35', had $1.50 in gold and $2.56 in other metals. This may indicate a parallel vein which should be watched for in subsequent holes. The surface, on the upward projection, is covered with detrital material. The anticipated mineralized area was found at 275', at the present water level. From 275'-331', 56' averaged $2.16, with the top part testing slightly higher. From 275'-310', 35' averaged $2.45. The best values, however, were somewhat deeper. At 352'-366', two samples averaged close to $9.00. Unfortunately, only 4' of that interval was recovered in the core barrel, the rest being ground up and lost in the drilling mud. The data includes 1' of very broken up material, with pyrolusite present, between 352'-353', testing $9.00, mostly in lead and zinc. Then, between 353'-357' only 3" of schist was recovered, and not tested. There was 3' of recovery 357'-360', of ground up red rock with pyrolusite, testing $8.63, again mostly lead and zinc, and no recovery from 360'-366½', then 1½' of schist, not tested. It should be noted that the two samples which were tested here had 2 to 4 times more copper than any other samples in the East Drill Hole Line, not quite a pound per ton.

It is regretful that this hole became too tight for a little deeper exploration. Drilling ceased for the season on May 23rd, and the Hardings returned to Wyoming a week later.

PRESENT VERSUS FORMER WATER TABLE

The present water table has been noted at closeto 300' on the hill and at 275' on the flat. The deepest penetration was in Hole No. 10, 93' below the point where water was first noted. However, recovered material in all 'water' holes was still completely oxidized. No trace of sulphides were noted. The iron seems to be all hematite, and continues to mask any lead or zinc oxides or carbonates, which must be present.

The conclusion is that the present water table does not correspond to the water table which existed when oxidation and leaching took place. The water table has risen, or is relatively higher because the ground has been depressed. No substantiating data on the area seems available. Records for recent years, of course, show a declining water table for the whole Phoenix area. At Sun City the decline averaged 5.1' for the last fifteen years that the area was cotton field irrigated. For the last ten years the decline has been about 3' a year. However, nothing seems available for geologic periods. One possible reason for a higher water table in recent years could be the construction of a dam to form Lake Pleasant, about 5 miles to the northeast, but the possibility of a connecting aquifer may be a little far-fetched. The depth of the water table on the property is about the same as at Sun City.

The necessity of following the veins to deeper levels seems obvious. Values determined to date, and potential unleached values, are summarized on following pages. Probably none of the drilled values can be considered minable, because of the oxidized nature of the lead and zinc values, with the possible exception of gold values indicated in Holes 4 and 9. That exception might become possible if further and deeper drilling reveals enough unoxidized ores to justify a commercial operation.

SUMMARY OF DRILL HOLE VALUES

A summary of the weighted average values in each hole is as follows, listing first the best 10', and then the total thickness of the mineralized area:

WEST DRILL HOLE LINE

Hole No. 1	10' @	$14.41(7-17)
	23" @	9.49(7-30)
Hole No. 2	10' @	7.17(3-13)
	74' @	2.60(3-77)
Hole No. 3	20½'@	10.09(67½-88)
	60' @	6.18(58-118)
Hole No. 4	10' @	5.72(138-148)
	66' @	2.21(136-202)
Hole No. 9	10' @	29.46(305-315)
	91' @	5.34(230-321)
Hole No. 6	20' @	1.08(325-345) incomplete - cave in

EAST DRILL HOLE LINE

Hole No. 7	10' @	5.90(180-190)
	105' @	2.36(90-195)
Hole No. 8	10' @	3.08(195-205)
	45' @	2.30(160-205)
Hole No. 10*	10' @	2.67(280-290)
	56' @	2.16(275-331)
	14' @	8.72(352-366)
	10' @	2.63(25-35)

*In Hole No. 10, a 2' and a 4' section of the 56' were not tested and values have been extrapolated, as have values for parts of the cores lost in the 14' section.

It should be noted that for the West Drill Hole Line there are 10' in Holes 1, 2,4, 7, & 9, with 20' in Hole 3, which give a weighted average of $12.82 a ton. The best 10' in Holes 7, 8, & 10, on the East Drill Hole Line give an average of $3.88, excluding the higher values found at the bottomof Hole No. 10.

AVERAGE THICKNESS & VALUE

For the West Drill Hole Line (Holes 1, 2, 3, 4, & 9) the average thickness of the mineralized area is 63' and the weighted average value for the five metals is $4.50 a ton. The total thickness at Hole No. 1 was not determined and only the drilled thickness is used in the averages. For the East Drill Hole Line (Holes 7, 8, & 10), without including the bottom 14' or 10' close to the surface in No. 10, the average thickness of the mineralized area was 73', with a weighted average value of $2.70.

TRUE THICKNESS

It should be noted that all thicknesses reported herein are vertical drill-hole measurements. With dips approximateing 60°, the true thickness or width, perpendicular to the dip, would be about one-half the vertical thickness.

EVIDENCE OF LEACHING

The fact that leaching has accompanied oxidation seems especially indicated in the West Drill Hole Line. Note that in Holes 1, 2, 3, & 4 the best values are in the top 10', the hanging wall side of the mineralized area, that portion which is best protected from descending, dissolving solutions. In Hole No. 9 the best values, in gold, were found toward the bottom, but the top 15' averaged $4.73 and the next 65' only $1.73. It seems evident that the hanging wall can be definitely located but there has been too much mineralizing penetration of the fractured schist to establish a footwall. In the East Drill Hole Line, again the hanging wall has more regularity, but the values are higher toward the bottom of the holes. We do not know why.

SUMMARY OF EXISTING VALUES
AND
ESTIMATE OF POTENTAIL VALUES

EXISTING: Following is a list of existing values as determined by drill holes, for the indicated footage, followed by a table which condenses such values into 10 feet of footage, assuming that such may have been the fact prior to oxidation and dissipation of values into the footwall schist.

Hole No. 1	23' @ 9.49	equals	10' @ 28.47	
Hole No. 2	74' @ 2.60	equals	10' @ 19.24	
Hole No. 3	60' @ 6.18	equals	10' @ 37.08	
Hole No. 4	66' @ 2.21	equals	10' @ 14.58	
Hole No. 9	91' @ 5.34	equals	10' @ 48.59	
				Average 29.59
Hole No. 7	105' @ 2.36	equals	10' @ 24.78	
Hole No. 8	45' @ 2.30	equals	10' @ 10.35	
Hole No.10	56' @ 2.16	equals	10' @ 12.10	
10	14' @ 8.72	equals	10' @ 12.20	
				Average 14.85

So, assuming the original thickness (vertically) was 10', the average value for both Drill Hole Lines is $22.22.

POTENTIAL: It would seem erroneous to assume that all the original values are still present in the areas drilled. Dilution of values through oxidation and leaching is very probable. No valid guess is attempted, but the following table indicates for several percentages what the original value could have been, as justification for exploration below the real water table.

If loss through leaching was	25%,	Original value was	$29.36
	50%		44.44
	75%		88.88
	80%		111.10

SECONDARY ENRICHMENT: If leaching occurred as indicated, enrichment is probable. The following is compiled as an indication of what could have happened if the leached area was a minimum of 400', as seems probable, and if the enriched zone is 100' thick. The potential value in the enriched zone is determined by adding to the original value four times the loss at each leaching percentage.

25%	(7.14 x 4)	or 28.56	plus 29.36	57.92
50%	(22.22 x 4)	or 88.88	plus 44.44	133.32
75%	(66.66 x 4)	or 266.62	plus 88.88	355.50
80%	(88.88 x 4)	or355.52	plus 111.10	466.62

EXPLORATION PROGRAM

It is proposed to continue exploratory drilling along the same lines established in the earlier 1972 drilling. As previously stated herein, with the benefit of that experience it is now proposed to start each new hole with an I.R. 5½" down-hole hammer drill, because such drilling can be done quickly and at lower cost. In general this method will be used for the first 275' or 300', until water is encountered. The hole will then be cased and carried to conclusion with NQ core bits.

The immediate object will be, first, to continue following the veins down dip to the original water table, through the zone of oxidation, then to ascertain the values there, and if they are encouraging enough to do additional drilling along the strike, to establish length.

It is proposed that along the two existing drill hole lines that successive holes will be drilled to hit the projected veins 100' lower in each hole. Consequently exact spacing will be determined one hole at a time, as the dip angle is confirmed or modified. It is further proposed that holes be alternated on the two lines, to allow time to analyze samples and other information before drilling another hole on the same line.

It is proposed that the next hole on the East Drill Hole Line be drilled on the same line and 60' to the south of Hole No. 10.

It is also proposed that the next hole on the West Drill Hole Line be not directly in line with the other holes, but really be an offset to Hole No. 6, which was completed unsatisfactorily, that it be about 60' south and 50' east of Hole No. 9, the topography being more favorable to offset to the east than to the west, and also a slight step toward establishing continuity between the two present drill hole areas.

The proposed program calls for the drilling of eight holes, with total drilling depths of 5,000', perhaps three holes on each line and two intermediate ones. However, it is considered advisable to maintain flexibility as the work progresses, as to exact spacing of the holes, their depths, and even to the number of holes, so that information can be best utilized as it is acquired.

The program calls for starting work right around November 1st, 1972, and carrying it to conclusion as expeditiously as possible. A terminating date cannot be established as there are many variables, including some problem for the contractor in using two different drilling rigs for each hole, one for a hammer bit and another for core bits. If only one set of casing is utilized, timing will have to carefully considered. With some possibility of a shut-down for ten days or so over Christmas-New Year's, it is felt that five months should be contemplated for completion of the program, indicating completion by April 1, 1973. That schedule might be considerably improved.

SUPERVISION

The project will be supervised by Harding, as was the work done earlier in 1972, with assistance of Pike. However, the extended program contemplated will require assistance of a third person, not yet selected. It is proposed to secure a man with enough education or experience to help 'sit' on the holes, to keep a log, prepare samples, and help carry them back and forth to the lab. The Sun City retirement community could provide the right sort of person for the job, at least on a part time basis up to four or five days a week.

TEST HOLES DIAMOND CORING

Wayne Shelton Drilling Co.

P.O. BOX 13431
PHOENIX, ARIZONA 85002
947-1709

May 30, 1972

Mr. A. C. Harding
Mystic Mining Company
10726 West Hatcher Road
Sun City, Arizona 85351

Dear Al:

Here is our proposal for any future drilling program that you may have in mind.

We propose to drill with the rotary to the oxide zone or core point, install 3 1/2" casing with the rotary, then continue core drilling with NQ core equipment to the desired depth. The cost of the above would be as follows:

Mobilization	$200.00
Rotary drilling for first two holes	$ 6.50 per foot
Any additional holes	$ 5.00 per foot
Running casing with the rotary	$ 35.00 per hour
Core drilling with NQ size rod	$ 9.75 per foot

Thank you for the opportunity of doing your exploration work. We hope you were encouraged by the results you found. If you have any further questions or comments, please don't hesitate to call me at my home in the evenings. My new telephone number is 602-265-3128.

We look forward to visiting with you in the near future. Enjoy your summer in the "cool" country.

Very truly yours,

Joe W. Shelton

Joe W. Shelton

JS/ss

PROPOSED
CONTRACT DRILLING

HOLE NO.	DEPTH	HAMMER DRILLING	NQ CORE DRILLING	CASING RIG TIME	DRILLING COST	COST PER FT.	ACCUMULATIVE COST PER FT.
11	450'	300'@6.50 $1,950.00	150'@9.75 $1,462.50	8@$35 $280.00	$3,692.50	$8.21	$8.21 (450')
12	500'	275'@6.50 $1,787.50	225'@9.75 $2,193.75	280.00	$4,261.25	$8.52	$8.37 (950')
13	550'	300'@5.00 $1,500.00	250'@9.75 $2,437.50	280.00	$4,217.50	$7.67	$8.11 (1,500')
14	600'	275'@5.00 $1,375.00	325'@9.75 $3,168.75	280.00	$4,853.75	$8.09	$8.11 (2,100')
15	650'	300'@5.00 $1,500.00	350'@9.75 $3,412.50	280.00	$5,192.50	$7.99	$8.08 (2,750')
16	700'	275'@5.00 $1,375.00	425'@9.75 $4,143.75	280.00	$5,798.75	$8.28	$8.12 (3,450')
17	750'	300'@5.00 $1,500.00	450'@9.75 $4,387.50	280.00	$6,167.50	$8.22	$8.14 (4,200')
18	800'	275'@5.00 $1,375.00	525'@9.75 $5,118.75	280.00	$6,773.75	$8.47	$8.19 (5,000')
	5,000'				$40,957.50		$8.19
		Mobilization Cost			200.00		
					$41,157.50		$8.23

PROBABLE COSTS
FOR 5,000'

CONTRACT DRILLING (see previous page)		$41,157.50	$8.23/Ft.
LABORATORY (Based on previous costs/ft.)		7,150.00	1.43
AUTO EXPENSE (gas and oil)		400.00	.08
SUPPLIES: Core boxes	$150		
Sample Sacks			
1,000 @ .25	250		
500 @ .35	175		
Misc.	100	675.00	.14
CASING 378' @ 3½" O.D.		467.00	.09
DOZER WORK		300.00	.06
STORAGE SHED		200.00	.04
SUPERVISION - Salary	5,000		
PR Taxes	500		
Milage	500	6,000.00	1.20
TOTAL		$56,349.50	11.27/Ft.

28.34

OTHER ITEMS TO BE FURNISHED

SUPERVISION: No charge to be made by Harding or Pike for supervision, accounting, etc. Supervision salary above to be for third party, still to be selected, as assistant in keeping drill-logs, preparing samples, etc.

SPLITTERS: Mystic Mining has a core splitter believed to be adequate for NQ cores, used on BX cores. For chip samples obtained from Hammer drill, expect to borrow splitter and pans from Arizona Testing Laboratories for duration ofproject.

TRANSPORTATION: Harding has a 1972 Jeep Wagoneer, and in lieu of milage will just charge gas, oil, etc. to the project.

MISCELLANEOUS: Sufficient small tools, instruments, etc. are believed to be available, including Brunton, steel tape, microscope.

The 3½" casing is believed to be available. It was purchased new and used only in Hole No. 10. The contractor has not yet advisedus that it has been removed and stored by him for the next project.

No provision has been included herein for Liability Insurance andis not presently contemplated.

EXPENDITURES - 1972 (To JUNE 1)

		Per Ft. (2,197')	
Contract Drilling	$17,007.50	$7.74	
Laboratory Service	3,133.10	1.43	
Automobile Gas & Oil	200.92	.09	
Office & Misc.	307.60	.14	$9.40
Filing Fees & Expense	35.43		
Capital Equipment	604.80		
Disc. Work - Gun Bolt	100.00		
Adv. Royalty - Gun Bolt	1,100.00		
	22,489.35		

DRILLING

Hole No. 1	30 ft. - BX Core
Hole No. 2	242 ft. - BX Core
Hole No. 3	131 ft. - BX Core
Hole No. 4	204 ft. - BX Core
Hole No. 6	368 ft. - Rotary
Hole No. 7	205 ft. - Hammer
Hole No. 8	325 ft. - Hammer
Hole No. 9	315 ft. - Hammer
	9 ft. - BX Core
Hole No.10	300 ft. - Hammer
	68 ft. - BX Core
	2,197 ft.

ALBERT C. HARDING

71 Magnolia
Casper, Wyoming 82601

~~10726 Hatcher Rd.~~
~~Sun City, Ariz. 85351~~

June 14, 1972

Mr. Bayly Finkbiner
Vice President
First National Bank of Casper
104 S. Wolcott
Casper, Wyoming 82601

Dear Bayly:

With reference to our previous discussion, this will confirm the request of Mystic Mining Company for a loan approximating $40,000.

As you know, the Company is a partnership of Leith Pike and A. C. Harding, with Pike's interest primarily limited to participation in any net income. This year the Company located a group of mining claims, and leased another claim, north of Sun City, in Arizona. It conducted about $20,000 of exploration work during the spring and wants to perform about $55,000 additional work, starting in November. Work to date has not established the existence of proven ore, but has established a favorable possibility for doing so, through further exploration.

The Company has no liabilities, other than a commitment to reimburse from any income the amounts previously advanced by Harding. Other than the property, the Company has little assets, a few hundred dollars cash, $1,100 in advanced royalties for the leased claim, recoverable from any future earned royalties, and about $500 in tools, instruments, etc.

Harding has prepared an engineering report on the property, describing in detail the work done to date, and submitting a favorable recommendation for additional exploration work. He is prepared to advance about $15,000 toward the total cost but forsees the need for additional financing to complete the project.

We will be pleased to submit a copy of the report, if it will serve any purpose for you, or will provide any other information you desire.

With best personal regards.

Yours very truly,

MYSTIC MINING CO.
A. C. Harding
A. C. Harding
Partner & Mgr.

First National Bank of Casper

June 15, 1972

Mr. A. L. Harding
Partner and Manager
Mystic Mining Co.
71 Magnolia
Casper, Wyoming 82601

Dear Al,

Thank you very much for your letter of June 14 requesting a loan for Mystic Mining Company in the approximate amount of $40,000. It is our understanding that this would be used along with some $15,000 of your own money to continue exploration work in connection with your mining claims in Arizona.

We are very sorry that we are not in a position to grant your request. The policy of this Bank is such that we are not permitted to extend this type of credit because of the very speculative nature of the venture.

We do appreciate your thinking of us in connection with your financing.

Yours very truly,

B. B. Finkbiner
Vice President

BBF/kmc

ALBERT C. HARDING

71 Magnolia
Casper, Wyoming 82601

~~10726 Hatcher Rd.~~
~~Sun City, Ariz. 85351~~

June 14, 1972

Mr. Hugh H. Coltrane
Vice President & Manager
The Arizona Bank
10733 Peoria Ave.
Sun City, Arizona 85351

Dear Hugh:

With reference to our phone conversation today, this will confirm the request of Mystic Mining Company for a loan approximating $40,000.

As you know, the Company is a partnership of Leith Pike and A. C. Harding, with Pike's interest primarily limited to participation in any net income. This year the Company located a group of mining claims, and leased another claim, north of Sun City, in Maricopa County, Arizona. It conducted about $20,000 of exploration work in the spring and wants to perform about $55,000 additional work starting in November. Work to date has not established the existence of proven ore, but has established a favorable possibility for doing so, through further exploration.

The Company has no liabilities, other than a commitment to reimburse from any income the amounts previously advanced by Harding. Other than the property, the Company has little assets, a few hundred dollars cash, $1,100 in advanced royalties for the leased claim, recoverable from any future earned royalties, and about $500 in tools, instruments, etc.

Harding has prepared an engineering report on the property, describing in detail the work done to date, and submitting a favorable recommendation for additional exploration work. He is prepared to advance about $15,000 toward the total cost but forsees the need for additional financing to complete the proposed program.

We will be pleased to submit a copy of the report, if it will serve any purpose for you, or will provide any other information you desire.

With best personal regards.

Yours very truly,

MYSTIC MINING CO.

A. C. Harding

A. C. Harding
Partner & Mgr.

THE Arizona BANK

H. H. COLTRANE
VICE PRESIDENT

REPLY TO / P. O. Box 130

Sun City, Az. 85351

June 16, 1972

Mr. Albert C. Harding
71 Magnolia
Casper, Wyoming 82601

Dear Al:

This will acknowledge your letter requesting a loan of approximately $40,000.00 by Mystic Mining Company.

Referring to the information given in your letter with respect to the approximate net worth of the Mystic Mining Company, the financial statement would not support a loan of this amount.

I would be glad to consider your request providing you and Mr. Pike would agree to personally guarantee the loan and would submit your personal financial statements, and the statements would support the loan.

We hope that you and Mrs. Harding are enjoying a pleasant summer in wonderful Wyoming and will look forward to seeing you when you return in the fall.

Sincerely yours,

H. H. Coltrane

H. H. Coltrane
Vice President & Manager

HHC:bjs

OFFICES: BISBEE CHANDLER DOUGLAS FLAGSTAFF GLENDALE GOODYEAR MESA PEORIA PHOENIX SCOTTSDALE SUN CITY TEMPE TOMBSTONE TUCSON YUMA

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

ORIG. & 1 CONY
2. Mr. Hasler
RECEIVED
JUL 26 1972
INITIALS CODE

July 24, 1972

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: Supplement to original application for: Mystic Mining Company
Question Mining Claims
Maricopa County, Arizona

Transmitted herewith is a supplement to the original report for Mystic Mining Company which was forwarded Friday, July 21, 1972. One copy of the supplement has been retained in the Region III, Field Office Files.

J. William Hasler
mc

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

JULY 19, 1972

SUPPLEMENT TO
ORIGINAL REPORT

RECEIVED
JUL 21 1972

MYSTIC MINING COMPANY

EXPLORATION PROJECT

IN

MARICOPA COUNTY

ARIZONA

LEITH PIKE
10744 Hatcher Rd.
Sun City, Ariz. 85351

PREPARED BY:

A. C. HARDING
10726 Hatcher Rd.
Sun City, Ariz. 85351
&
71 Magnolia
Casper, Wyo. 82601

ALBERT C. HARDING

71 Magnolia
Casper, Wyoming 82601

~~10726 Hatcher Rd.~~
~~Sun City, Ariz. 85351~~

July 19, 1972

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Room 28 - Building 53
Denver Federal Center
Denver, Colo. 80225

Dear Mr. Hasler:

As you requested, we have obtained two bids each for the drilling and laboratory work. Copies are enclosed herewith, along with our summaries and comparisons.

DRILLING

Enclosed are copies of our letters to Wayne Shelton Drilling Co and Boyles Brothers Drilling Co. and their replies. You will note that Shelton has modified the bid he gave us last May by now quoting all Hammer drilling at $5.00 a foot, instead of $6.50 for the first two holes and then $5.00 on subsequent holes. They are higher than Boyles Bros. on Hammer drilling and lower on core drilling. Also Shelton makes no separate charge for water hauling. Our comparison of the bids is somewhat close, with an indicated difference of $610 in Shelton's favor. The difference could be greater, as we have noted on the comparison sheet, if we should get involved in any 'Standby Time'. Because of these factors and our previous favorable experience with Shelton he would be our choice.

LABORATORY WORK

Enclosed are copies of our requests for quotations and responses to and from Arizona Testing Laboratory in Phoenix and Hawley & Hawley in Tuscon. We sent a request to Jacobs in Tuscon but received no response and then sent one to Hawley & Hawley. We have had to use a couple of brochures which Hawley & Hawley sent to us to complete their quotation. As noted on our comparison sheet, they offer quantity discounts which will probably be of little value to us on our proposed project. The comparison is just slightly in favor of Arizona Testing Laboratories, which would become more so when shipping charges are included to Tuscon, but much more so when time and convenience are also considered. Arizona Testing Lab. is definitely our preference.

PROBABLE COST ADJUSTMENT

Page 30 of our original report tabulates Probable Costs for 5,000 feet of drilling. As a result of these bids, the Contract Drilling can be reduced from $41,157.50 to $40,265.00, a difference of $892.50. However, 'Laboratory' should now be increased $1,235.75, from $7,150.00 to $8,385.75. The net change in Probable Costs is an increase of $343.25, to $56,692.75.

Of course both the drilling footage and number of laboratory tests are only estimates at this time. There could be a much greater difference in total costs and cost-per-foot if we can complete the project in three to four months, rather than the maximum of five months mentioned in our report.

We will look forward to hearing further from you at your convenience.

Yours very truly,

MYSTIC MINING COMPANY

A. C. Harding

A. C. Harding

PROBABLE COSTS
FOR 5,000'
(Revised July 19, 1972)

CONTRACT DRILLING		$40,265.00	$ 8.05/Ft.
LABORATORY		8,385.75	1.68
AUTO EXPENSE (gas and oil)		400.00	.08
SUPPLIES:			
Core boxes - 270 @ $1.00	$270.00		
Sample Sacks 730 @ .35	255.00		
Sample Sacks 200 @ .25	50.00		
Misc.	100.00	675.00	.14
CASING - 378' @ 3½" O.D.		467.00	.09
DOZER WORK		300.00	.06
STORAGE SHED		200.00	.04
SUPERVISION - Salary 5 Mo.	5,000		
PR Taxes	500		
Milage	500	6,000.00	1.20
		$56,692.75	11.34/Ft.

OTHER ITEMS TO BE FURNISHED
(See Page 30 of Original Report)

COMPARISON OF
CONTRACT DRILLING BIDS

ITEM			WAYNE SHELTON DRILLING CO.	BOYLES BROS. DRILLING CO.
Mobilization			$ 200.00	$ 200.00
Hammer Drilling	- 2,300'	@ 5.00	11,500.00	
		@ 3.50		8,050.00
Core Drilling	- 2,700'	@ 9.75	26,325.00	
Above 500'	- 1,650'	@10.70		17,655.00
Below 500'	- 1,050'	@11.20		11,760.00
Water				
Truck rental - Min.estimate 3 months @ $350			---	1,050.00
Milage - est. 40 trips @ 24 mi. @ .25			---	240.00
CASING RIG TIME				
Est. 64 Hrs.		@$35	2,240.00	
		@$30		1,920.00
			40,265.00	40,875.00

STANDBY RIG TIME: Boyles Bros. charge would be $30 an hour. Shelton during three previous drilling projects for Mystic Mining has never charged for standby time and on several occasions has been cooperative in waiting for assay determinations and management decisions

COMPARISON OF
LABORATORY BIDS

ITEM		ARIZONA TESTING LAB.	HAWLEY AND HAWLEY
Preparation - 625 samples			
	@ 1.00	625.00	
	@ .90		562.50
Trace Analysis, Geochemical Au, Ag, Cu, Pb, Zn 625 samples			
	@ 4.75	2,968.75	
	@ 6.25*		3,906.25*
Rechecks of Pulp, when Au exceeds 1 ppm Ag exceeds 30 ppm Pb or Zn exceeds 3,000 ppm Estimate 1,500 rechecks			
	@ 3.00	4,500.00	
	@ 2.40**		3,600.00**
Spectrographic 20 tests	@ 8.00	160.00	
	@ 13.00		260.00
Fire Assays - Au & Ag 30 tests			
	@ 4.40	132.00	
	@ 4.25		127.50
		8,385.75	8,456.25

*Hawley & Hawley offers quantity discounts for number of samples submitted at one time, but no discount for less than 20 at one time, 1% for 28 and 5% for 46, up to 30% for 120. For proposed project results will be desirable on almost a daily basis so no discount has been calculated herein.

**For the 5 elements listed above Hawley & Hawley has recheck prices varying from $2 for Cu to $3 for Zn. Average of the 5 is $2.40.

Note: Arizona Testing Lab. is the only lab in Phoenix. Samples can be delivered by car, and rejects picked up. Samples delivered by 4:30 p.m. can be dried overnight and results obtained ordinarily by 4:30 p.m. next day.

Hawley & Hawley is located at Tucson. Samples would have to be prepared for shipment and probably delivered to bus terminal in Phoenix, with consequent transportation charges on samples, and, if desired, rejects. Time lapse in obtaining results by mail would be at least several days.

MYSTIC MINING COMPANY
ALBERT C. HARDING

June 30, 1972 at

71 Magnolia
Casper, Wyoming 82601

~~10726 Hatcher Rd.~~
~~Sun City, Ariz. 85351~~

Wayne Shelton Drilling Co.
P. O. Box 13431
Phoenix, Arizona 85002

Gentlemen:

We would appreciate your prompt quotation on the following exploration project, if thereis any change from your quotation of May 30th.

LOCATION: Eleven miles north of Bell Road and 107th Ave. intersection at Sun City. (2 miles oil, 5 miles gravel county road, 4 miles rocky desert trail). Elevation increases 500 feet in 11 miles. Passable for any type vehicle. Few grades.

AMOUNT OF WORK: Approximately 5,000 vertical feet in 8 holes, ranging from 400' to 800', with bottom depths to be determined by Operator from findings in each hole.

PREFERRED METHOD: Start with hammer bit, finish with core bit.
(1). Provide and set about 10' of 6" surface casing, cementing probably unnecessary.
(2). Drill to water level, known to be 275' to 300', with down-hole, hammer bit (5½"?), dry, blowing out cuttings through side hole in surface casing. Continuous sampling of chips desired, breaking at 5' intervals.
(3). Set 3½" casing provided by Operator to bottom hole, without cementing.
(4). Complete with NQ core drilling through casing.
(5). Pull 3½" casing for next hole.

FORMATION: Mostly biotite schist, dipping approximately vertically. Perhaps some rhyolitic or diabasic dikes.

WATER: Not available at site.

TIME: To start November 1, 1972, and carried to completion continuously; one 8 to 10 hour shift, 5 or 6 days a week. Maximum time to 4 to 5 months. Shutdown over Christmas-New Year optional.

MISC: Driller's prices to include water, cementing and drilling mud materials and all rig time, except separate pricing for rig time in setting and pulling 3½" casing.

If there are any further questions, please call Al Harding, Casper, 307-237-7225.

Yours very truly,

MYSTIC MINING COMPANY

A.C. Harding

TEST HOLES DIAMOND CORING

Wayne Shelton Drilling Co.

P.O. BOX 13431
PHOENIX, ARIZONA 85002
947-1709

July 7, 1972

Mr. Albert C. Harding
71 Magnolia
Casper, Wyoming 82601

Dear Al:

In view of the additional drilling that you have in mind, we would like to resubmit our bid of May 30, 1972 as follows:

We propose to drill with the rotary to the oxide zone or to core point, install 3 1/2" casing with the rotary, then continue core drilling with NQ core equipment to the desired depth. The cost of the above will be:

Mobilization	$200.00
Hammer drilling	$ 5.00 per foot
Running casing with the rotary	$ 35.00 per hour
Core drilling with NQ size rod	$ 9.75 per foot

I would like to thank you again for considering us for your drilling project; working with you has always been a pleasure. Please call if you need further information.

Hope to see you as soon as the Arizona weather is bearable again.

Very truly yours,

Joe W. Shelton

Joe W. Shelton

JS/ss

MYSTIC MINING COMPANY
ALBERT C. HARDING

June 30, 1972 at 71 Magnolia
Casper, Wyoming 82601

~~10726 Hatcher Rd.~~
~~Sun City, Ariz. 85351~~

Boyle Brothers Drilling Co.
10801 N. 21st Ave.
Sunnyslope
Phoenix, Arizona 85000

Gentlemen:

We would appreciate your prompt quotation on the following exploration project.

LOCATION: Eleven miles north of Bell Road and 107th Ave. intersection at Sun City (2 miles oil, 5 miles gravel county road, 4 miles rocky desert trail). Elevation increases 500 feet in 11 miles. Passable for any type vehicle. Few grades.

AMOUNT OF WORK: Approximately 5,000 vertical feet in 8 holes, ranging from 400' to 800', with bottom depths to be determined by Operator from findings in each hole.

PREFERRED METHOD: Start with hammer bit, finish with core bit.
(1). Provide and set about 10' of 6" surface casing, cementing probably unnecessary.
(2). Drill to water level, known to be 275' to 300', with down-hole, hammer bit (5½"?), dry, blowing out cuttings through side hole in surface casing. Continuous sampling of chips desired, breaking at 5' intervals.
(3). Set 3½" casing provided by Operator to bottom hole, without cementing.
(4). Complete with NQ core drilling through casing.
(5). Pull 3½" casing for next hole.

FORMATION: Mostly biotite schist, dipping approximately vertically. Perhaps some rhyolitic or diabasic dikes.

WATER: Not available at site.

TIME: To start November 1, 1972, and carried to completion continuously; one 8 to 10 hour shift, 5 or 6 days a week. Maximum time 4 to 5 months. Shutdown over Christmas-New Year optional.

MISC. Driller's prices to include water, cementing and drilling mud materials and all rig time, except separate pricing for rig time in setting and pulling 3½" casing.

If there are any further questions, please call Al Harding, Casper, 307-237-7225.

Yours very truly,

MYSTIC MINING COMPANY

A. C. Harding

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS
P. O. Box 9578
10801 North 21st Avenue
PHOENIX, ARIZONA 85020
Phones: Office (602) 944-2741
(602) 944-1731
Res. (602 942-1043

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY, UTAH 84110
Phone (801) 487-3671

BRANCH OFFICES

ARIZONA (PHOENIX)
COLORADO (GOLDEN)
NEVADA (SPARKS)
TENNESSEE (MURFREESBORO)
WASHINGTON (SPOKANE)
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

July 10, 1972

Mr. Albert C. Harding
Mystic Mining Company
71 Magnolia
Casper, Wyoming 82601

Dear Mr. Harding:

For drilling on your property eleven miles North of Bell Road, we submit the following prices:

1. Mobilization and demobilization - $ 200.00.

2. Hammer drilling to water table 5½ inch.

   0 to 500' $ 3.50 Per Foot

3. Core Drilling NXWL

   0 to 500' $ 10.70
   500 to 1000' 11.20

4. Setting and pulling casing, the charge will be $30.00 per hour.

5. Casing left in place at your request, or lost in hole through normal drilling, will be charged for at list price F.O.B. job-site.

6. Standby time at your request, or delays not the fault of Boyles Bros. Drilling Company, will be charged for at $30.00 per hour.

7. Preparation of roads and drill sites, if required, will be constructed by you, at no cost to Boyles Bros. Drilling Company.

8. We will furnish water truck at a charge of $350.00 per month, plus .25 cents a mile. Water to be hauled from your source of supply.

9. Core boxes can be furnished at $1.15 per box.

We have a rotary drill that we can also do the coring with in the bottom of the air hammer holes, after we reach a depth of 2 or 3 hundred feet. We feel you can expect 95% core recovery.

BOYLES BROS. DRILLING CO.

 July 10, 1972

Mr. Albert C. Harding

For people we have never had the opportunity to do work for before, we will require payment at the end of each week for completed work. If you can furnish us with reputable credit references, we will bill you at the end of each month for completed work and require payment within 30 days thereof.

We appreciate the opportunity to bid on your work and we are sure you will be satisfied with our performance.

If you should have any questions, please call us at your convenience.

Sincerely,

BOYLES BROS. DRILLING COMPANY

S. L. Mathews

S. L. Mathews,
District Manager

SLM:jwh

Contractors License: 15414
Class: A-4

P.S. If the terms of this proposal are acceptable, please sign one copy and return to us before commencement of drilling program.

ACCEPTED _____

TITLE _____

MYSTIC MINING COMPANY

ALBERT C. HARDING

June 30, 1972, at 71 Magnolia
Casper, Wyoming 82601

~~10726 Hatcher Rd.~~
~~Sun City, Ariz. 85351~~

Arizona Testing Laboratories
817 West Madison Street
Phoenix, Arizona 85007

Gentlemen:

Will you please quote us on the following estimated total of samples and procedures for the period between November 1, 1972, and March 30, 1973.

Yours very truly,

MYSTIC MINING COMPANY

A.C. Harding

			TOTAL
625	Samples:		
	Preparation @	$ 1.00	$ 625.00
	Geochemical: AU, AG, CU, PB, ZN @	4.75	$2,968.75
	Geochemical rechecks of pulp when AU exceeds 1 ppm AG exceeds 30 ppm PB or ZN exceeds 3,000 ppm Estimate 1,500 rechecks @	$ 3.00	$4,500.00
20	Spectrographic tests @	$ 8.00	160.00
30	Fire Assay for AU and AG rechecks @	$ 4.40	132.00
	TOTAL		$8,385.75

ARIZONA TESTING LABORATORIES

By Claude E. McLean

Claude E. McLean, Jr., Pres.

Date July 5, 1972

ALBERT C. HARDING

71 Magnolia
Casper, Wyoming 82601

~~10726 Hatcher Rd.~~
~~Sun City, Ariz. 85351~~

July 11, 1972

Hawley & Hawley
Box 50106
Tucson, Arizona 85703

Gentlemen:

Will you please quote us on the following estimated total of samples and procedures for the period between November 1, 1972, and March 30, 1973.

Yours very truly,

MYSTIC MINING COMPANY

A. C. Harding

	TOTAL
625 Samples: (.65 pulverizing only) Preparation @ $ .90 full preparation	$ 562.50
Geochemical: AU, AG, CU, PB, ZN @ $ 6.25 $3906.25 less 30% discount	2,734.37
Geochemical rechecks of pulp when AU exceeds 1 ppm AG exceeds 30 ppm PB or ZN exceeds 3,000 ppm Estimate 1,500 rechecks @ $ per Schedule less 30%	
20 Spectrographic tests @ $ 13.00	260.00
30 Fire Assaya for AU & AG rechecks @ $ 4.25	127.50
TOTAL	

HAWLEY & HAWLEY

By H. E. Richard

Date 7/17/72

The above prices are based on our maximum discount of 30% on 120 or more samples received at one time. For quantities under this, please refer to our discount graph.

HAWLEY & HAWLEY
ASSAYERS AND CHEMISTS, INC.
1700 W. GRANT RD. BOX 50106
TUCSON, ARIZONA 85703 (602) 622-4836

Registered Assayers
OVER 50 YEARS

BRANCHES
Douglas
Hayden
Morenci
Inspiration
El Paso
St. Louis

July 17, 1972

Mr. Albert C. Harding
MYSTIC MINING COMPANY
71 Magnolia
Casper, Wyoming 82601

Dear Mr. Harding:

I enjoyed talking with you by telephone this morning, and from our conversation I believe that your having our price schedules will make it easier for you to break down your analytical requirements price-wise.

Enclosed is our general Schedule of Services and Fees, as well as our Trace Analysis Bulletin No. 10 and accompanying price and discount list. You will find our trace analysis limits in the centerfold of the Bulletin. Also enclosed are several other of our bulletins which you may find of interest. As you will note by our discount graphs, there are advantages to sending a large number of samples at one time.

We have estimated our charge for your work on the form you sent us. It cannot be regarded as a "fixed" quotation, however, because the size of our discounts depends on the number of samples received at one time. We have based our estimate on receiving at least 120 samples at a time to take advantage of our maximum discount. If smaller numbers of samples are received at one time, the discount would be proportionately less, per the discount graphs.

Gold, whether run by atomic absorption or fire assaying, will give approximately the same results. Silver by fire assaying has a volitization loss which depends upon the weight of the silver contained in the sample, but fire assaying results are generally accepted by mining companies and smelters as being the value used in the exchange of metallurgical products.

Should you wish to open an account with us, we will appreciate receiving one bank reference and two commercial references.

Thank you for your inquiry, and we hope we may be of service to you. If you have any questions, or wish further information, please don't hesitate to contact us.

Sincerely,

Harold E. Richard
President

p
enclosures

MYSTIC MINING COMPANY

CONVERSION OF
LABORATORY REPORTS
TO
VALUES

DEPTH			AU	AG	CU	PB	ZN	TOTAL
		HOLE NO. 1						
7	17		45	300	95	255	646	1441
17	30		30	300	17	87	136	570
		HOLE NO. 2						
3	13	little core - mostly schist	30	–	25	50	612	717
13	26	red at 16' - schist 21'-25'	45	–	25	42	170	282
26	33	Between 29'+36' - 5' ground up	75	–	20	45	207	347
33	43	(no sludge sampled)	30	–	06	29	57	122
43	53	Between 50'-56' recovered less than ½	30	–	11	52	74	167
		47-58 SLUDGE	30	–	47	304	714	1095
53	63	54-60 grey schist	15	–	08	15	47	85
63	67	grey schist	15	05	05	02	06	33
67	76		180	05	05	07	13	210
76	86	only recovered 3'-4'	15	05	08	01	08	37
86	96	grey schist	15	05	04	01	05	30
98	102		30	05	04	01	02	42
102	118	schist	30	05	07	02	03	47
118	125		45	05	05	01	05	61
125	136		30	05	05	01	03	44
136	147		15	80	04	07	08	114
147	153		45	05	05	09	08	72
153	163		30	05	09	01	04	49
163	173		30	05	10	03	04	52
175	180		30	–	63	07	09	49
197	205		15	05	04	04	11	39
205	213		30	05	11	08	34	88
213	217		15	05	26	02	01	99
217	242	schist						

DEPTH			AU.	AG	CU	PB	ZN	TOTAL
		HOLE NO. 3						
51	58		45	05	07	10	47	1 14
		57-67 SLUDGE	1 35	05	20	45	2 79	4 84
58	67½		1 95	05	11	40	3 92	6 43
67½	70	CALCITE	13 80	15	03	08	53	14 59
70	76		7 05	10	08	04	25	7 52
76	82		7 20	05	03	03	06	7 37
82	88	LITTLE MALACHITE	13 20	10	11	01	10	13 52
		87-97 SLUDGE	2 70	05	07	14	61	3 57
88	93		1 05	05	16	03	17	1 46
93	98		2 40	05	09	04	16	2 74
98	106	only recovered 3' of 7' (99'-106')	4 05	10	15	04	29	4 63
106	118	" " ½ (110'-115')	3 00	05	12	08	47	3 72
120	125		60	-	07	-	03	70
		67-Special (Mn)	?	?	80	14 50	20 40	35 70+
125	131	grey schist						

20½' (67½' to 88') = $9.71 in Au
25' (93' to 118') = $3.21 in Au

DEPTH			AU	AG	CU	PB	ZN	TOTAL
		HOLE No. 4						
7	11		30	05	06	26	35	102
122	124		15	05	14	03	03	40
124	127		90	05	18	15	22	150
127	130	Igneous	15	05	–	84	?	104+
130	136		–	10	04	05	30	49
136	138	"	75	15	12	147	136	385
138	140		90	10	20	174	170	464
140	148		555	05	06	13	20	599
143	151S	Sludge	330	10	06	06	32	384
148	155		135	05	04	02	12	158
155	160		120	05	04	04	10	143
160	165		180	05	06	29	32	252
151	167S	Sludge	345	05	06	13	242	611
165	170		45	05	11	03	09	73
170	176		330	05	09	–	17	361
167	177S	Sludge	165	05	11	07	340	528
176	180		90	05	08	02	06	111
177	187S	Sludge	45	05	11	14	10	85
180	186		75	05	10	–	07	97
186	194		45	05	08	–	05	63
194	202		30	05	09	–	170	214

8' (140' - 148') = 5.55 inAu

Hole No. 6 (IN 24' is No. 5)

Depth	AU	AG	CU	PB	ZN	TOTAL
5-2	15	05	05	03	05	33
5-3	15	05	05	03	05	33
5-4	15	05	05	06	09	40
5-5	15	05	05	04	07	36
6-6	15	05	06	02	04	32
6-7	15	05	05	01	03	29
8	—	05	07	02	05	19
9	15	05	05	02	04	31
10	—	05	04	01	11	21
11	15	05	05	02	05	32
12	—	05	05	03	07	20
13	—	05	04	04	08	21
14	15	05	04	11	25	60
15	—	05	05	12	25	47
16	—	05	06	28	26	65
23	—	05	07	10	16	38
24	15	05	06	05	11	42
25	—	05	05	04	11	25
26	—	05	06	02	73	86
27						
28						
29	—	05	06	03	12	32
30	15	05	06	07	11	44
31	30	05	03	03	06	47
32	15	05	04	01	05	30
33	15	05	06	06	11	43

HOLE No. 6

	AU	AG	CU	PB	ZN	TOTAL
6-34	15	05	15	03	05	43
35	15	05	16	02	03	41
36	15	05	07	02	03	32
37	–	05	07	01	03	16
38	15	05	07	02	03	32
39	15	05	08	03	05	36
40	15	05	06	04	04	34
41						
42						
43						
44						
45						
46						
47	15	05	08	03	05	36
48	15	05	09	07	04	40
49						
50						
51	15	05	08	03	07	38
52						
53						
54						
55						
56	15	05	09	03	08	40
57	15	05	09	05	05	39
58	30	05	05	01	05	46
59	–	05	08	01	05	19
60	15	05	09	01	04	34
61	15	05	08	01	05	34
62	15	05	11	02	05	42
63	15	05	10	03	08	41
64	15	05	08	03	06	37
65	–	05	06	04	06	21
6 66	–	05	08	05	07	25
6 67	15	05	07	25	65	117
6 68 (335-338)	–	–	09	14	43	66
6 68 (335-338)	30	–	10	19	72	131

HOLE No. 6

		AU	AG	CU	PB	ZN	TOTAL
6-69		–	05	11	37	64	117
70		–	05	14	13	37	69
71		–	05	09	09	27	50
72		–	05	08	15	18	46
73		–	05	08	12	18	43
74		–	05	07	06	16	34

HOLE No 7 (Using Hammer Bit)

Sample Depth	AU	AG	CU	PB	ZN	TOTAL
7	15	05	03	01	07	31
9	15	05	03	04	18	45
12	–	05	09	07	11	32
14	15	–	10	45	36	106
15	15	05	06	03	05	34
18	30	05	06	08	13	62
19	30	05	08	55	43	141
20	30	05	09	45	65	154
21	15	05	07	27	54	108
22	30	10	10	93	151	294
23	75	–	38	201	414	728
24	–	05	06	90	43	144
25	15	05	06	72	61	159
26	60	–	06	75	75	216
27	240	05	03	38	47	333
28	15	10	05	20	36	86
29	90	05	07	111	90	303
30	135	10	04	77	86	312
31	105	05	04	84	108	306
32	75	05	09	33	45	167
33	15	–	04	21	32	72
34	15	–	05	19	33	72
35	45	05	06	09	19	84
36	45	05	09	04	18	81
37	90	05	09	40	101	245
38	465	05	02	99	360	934
39	45	–	03	22	54	124
40	30	05	05	12	29	81
41	30	–	06	08	19	63

HOLE No. 8 (using Hammer Bit - each sample represents 5' — multiply Sample No. by 5 for bottom

Depth	Au	Ag	Cu	Pb	Zn	TOTAL
8-4	30	-	04	24	34	92
12	-	-	06	03	05	14
17	30	05	07	27	23	92
18	30	-	05	13	14	62
25	30	-	06	10	11	57
26	15	-	07	04	09	35
27	-	-	06	06	09	21
28	30	-	08	21	23	82
29	15	-	08	04	11	38
30	-	-	07	03	07	17
31	15	05	06	12	18	56
32	-	-	04	08	09	21
33	-	--	05	45	23	73
34	-	05	08	28	47	88
35	30	—	09	28	81	147
36	30	05	16	102	248	301
37	30	05	10	81	108	234
38	90	05	10	150	95	340
39	45	-	06	33	90	174
40	105	05	08	90	158	366
41	90	10	05	61	86	251
42	15	05	05	15	35	75
43	-	05	07	09	16	37
44	-	05	06	06	21	38
45	15	-	05	03	11	34
50	-	-	07	05	07	19
55	15	-	04	24	18	41
60	-	-	06	13	16	35
61	-	05	07	12	14	38
62	15	-	04	09	12	40
63	-	05	05	05	13	28
64	-	-	05	05	09	19
65	-	-	05	06	11	22

HOLE No. 9 — Each sample represents 5' (i.e. #9-40 = 195-200')

Depth	AU	AG	CU	PB	ZN	TOTAL $
9- 3	-	05	06	15	16	42
7	-	05	07	06	11	29
11	-	05	06	03	06	20
12	-	05	06	06	11	28
15	-	05	05	08	11	29
16	15	05	04	23	57	104
17	-	05	03	08	18	34
18	-	05	03	03	11	22
19	-	05	03	01	04	13
20	-	05	05	15	16	41
21	75	05	23	105	162	370
22	-	05	06	51	54	116
23	-	05	07	26	23	61
24	-	05	07	08	12	32
27	-	05	08	03	14	30
28	15	05	07	06	11	44
29	-	05	06	05	11	27
30	-	-	06	03	9	18
31	-	05	03	01	05	14
32	-	05	04	01	05	15
36	-	05	06	03	07	21
37	15	05	06	03	06	25
38	270	05	04	96	349	724
39	15	05	06	02	03	31
40	15	05	06	01	03	30
41	-	05	06	01	05	17

HOLE NO. 9

Depth	AU	AG	CU	PB	ZN	TOTAL
9-44	-	05	06	05	09	25
45	-	10	05	04	09	28
46	-	10	04	01	10	25
47	3 00	15	05	09	17	3 46
48	5 10	10	04	03	10	5 37
49	5 10	05	15	02	05	5 37
50	1 20	05	10	01	05	1 41
51	30	05	05	01	03	44
52	1 95	10	04	01	03	2 13
53	90	10	05	01	03	1 09
54	1 50	05	07	01	04	1 67
55	6 00	05	05	-	04	6 14
56	3 75	05	04	-	01	3 85
57	1 95	10	05	01	02	2 13
58	60	05	08	-	04	77
59	75	05	07	01	03	91
60	75	05	05	02	03	90
61	1 05	10	07	01	03	1 26
62	5 26	10	07	02	03	5 47
63 (310'-315') [Fire assay-recheck [Repeat 13.80 on Au]	82 58 / 61 50	$2.60 / 3	70 / 09	02	05	62 36
9-315-318	1 05	10	16	02	02	1 35
9-318-321	90	10	06	-	02	1 08
9-321-324	-	05	09	-	02	16

80' from 230' to 310' av. $2.52 in Au & Ag

Bottom 5', from 310' to 315' was $62.20 " " " "

15' from 230' to 245 av. $4.50 in Au & Ag

10' from 270' to 280' av. $4.92 " " " "

10' from 305' to 315' av. $33.70 " " " "

Hole No. 10

Depth	AU	AG	CU	PB	ZN	TOTAL
10-3	–	.05	.05	.01	.05	.16
4	–	.05	.05	–	.03	.13
5	–	.05	.04	.06	.11	.26
6	.45	.05	.08	.37	.25	1.20
7	1.50	.05	.11	.60	1.80	4.06
8	.15	.05	.05	.06	.18	.49
9	.15	.05	.05	.05	.09	.39
10	.30	.05	.09	.12	.14	.70
29	.30	.05	.06	.10	[illegible]	.74

HOLE No. 10

Depth	AU	AG	CU	PB	ZN	TOTAL
10 –						
15 – 35	30	05	04	07	17	63
45	15	05	08	06	09	43
49	–	05	06	04	10	25
50	–	05	07	08	14	34
51	–	05	13	39	41	98
52	15	05	10	19	24	73
53	30	05	08	13	19	75
54	15	05	06	09	14	49
55	15	05	07	28	36	91
56	60	05	08	49	68	190
57	60	05	07	75	122	269
58	60	05	07	72	120	264
59	75	05	[illegible]	66	111	264
60 (295'-300')	45	05	[illegible]	69	133	259
10-300-305	30	05	03	63	112	213
305-310	60	03	07	105	129	283
310-312	15	05	07	63	71	[illegible]
312-316	15	05	03	112	47	84

HOLE NO. 10

		AU	AG	CU	PB	ZN	TOTAL
10- 320-324							
324-328		.45	.10	.11	.65	.31	1.62
328-331		.15	.10	.06	.55	.22	1.08
331-336		.30	.05	.19	1.23	2.12	3.89
336-340		.15	.05	.12	.09	.59	1.00
340-344		—	.05	.07	.04	.12	.28
344-349		.15	.05	.07	.27	.39	.93
349-350		—	.05	.05	.04	.09	.23
350-352							
352-353	pyrolusite in soft rock	.15	.05	.07	.12	.27	.66
353-357	no veining except 3"-4" schist	.15	.15	.46	5.25	2.99	9.00
357-360	red with black						
360-368	1½' schist-no veining 360-366½	.45	.10	.37	2.67	5.04	8.63

MYSTIC MINING COMPANY

COPIES OF
LABORATORY REPORTS

FROM
ARIZONA TESTING LABORATORIES
PHOENIX, ARIZONA

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: March 6, 1972

Lab. No.: 2042 & 2043

Sample: Ore

Marked: see below

Received: 3-1-72

Submitted by: same

REPORT OF LABORATORY TESTS

		GOLD	SILVER	COPPER	MOLYBDENUM	LEAD	ZINC	NICKEL
2042	1-7-17	0.3ppm	60ppm	950ppm	24ppm	0.88%	1.90%	59ppm
2043	1-17-30	0.2ppm	60ppm	140ppm	10ppm	0.30%	0.40%	80ppm

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: March 8, 1972

Lab. No. 2078

RESULTS OF GEOCHEMICAL ANALYSIS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	MOLYBDENUM ppm	LEAD ppm	ZINC ppm	NICKEL ppm
2-3-13	0.2	1	255	5	2120	1.80%	23
2-13-26	0.3	1	255	3	1400	0.49%	21
2-26-33	0.5	1	205	3	1600	0.61%	24
2-33-43	0.2	1	65	4	1080	0.17%	65
2-43-53	0.2	trace	115	4	1840	0.22%	35
2-53-63	0.1	1	80	7	560	0.14%	30
2-47-58S	0.2	2	470	155	1.05%	2.10%	45
~~3372-1~~	~~0.1~~	~~1~~	~~65~~	~~3~~	~~220~~	~~630 ppm~~	~~180~~
~~3372-2~~	~~0.1~~	~~1~~	~~50~~	~~3~~	~~95~~	~~280~~	~~170~~
2-63-67	0.1	1	50	1	65	180	20
2-67-76	1.2	1	55	10	230	415	25
2-76-86	0.1	1	85	3	50	230	85
2-86-96	0.1	1	40	1	40	155	25

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean Jr.

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: March 9, 1972

Lab. No.: 2090

Sample: Ore

Marked: See Below

Received: 3-7-72

Submitted by: same

REPORT OF LABORATORY TESTS

GEOCHEMICAL ANALYSIS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
2-98-102	0.2	1	45	30	75
2-102-118	0.2	1	70	20	90
2-118-125	0.3	1	50	65	165
2-125-136	0.2	1	50	50	115
2-136-147	0.1	16	45	250	270
2-147-153	0.3	1	50	340	270
2-153-163	0.2	1	90	55	120
2-163-173	0.2	1	105	125	125

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

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ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: March 13, 1972

Lab. No.: 2108 thru 2114

Sample: Ore

Marked: See Below

Received: 3-10-72

Submitted by: Same

REPORT OF LABORATORY TESTS

GEOCHEMICAL ANALYSIS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm	NICKEL ppm	MOLYBDENUM ppm
3972-1	0.4	2	96	1350	0.49%	137	2
3972-2	3.1	2	70	1.05%	4.00%	15	14
3972-3	0.2	1	46	127 ppm	500 ppm	240	1
#2-175-180	0.2	trace	34	240	260		
#2-197-205	0.1	1	39	177	344		
#2-205-213	0.2	1	111	288	1060		
#2-213-217	0.1	1	264	92	1530		

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizna 85351

Date: March 15, 1972

Lab. No.: 2130

Sample: Ore

Marked: See Below

Received: 3-15-72

Submitted by: Mr. A. C. Harding

REPORT OF LABORATORY TESTS

GEOCHEMICAL ANALYSIS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
3-51-58	0.3	1	74	350	1400
3-57-67S	0.9	1	200	1570	0.82%
3-58-68	1.3	1	115	1430	1.15%
3-68-70	9.2	3	30	290	1550 ppm
3-70-76	4.7	2	82	170	760
3-76-82	4.8	1	31	110	195
3-82-88	8.8	2	115	68	320
3-87-97S	1.8	1	79	470	1820
3-88-93	0.7	1	160	125	480
3-93-98	1.6	1	94	145	450
3-98-106	2.7	2	150	160	880
31472-1	1.4	2	37	2550	2120
31472-2	0.4	1	20	255	810

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean Jr.

Claude E. McLean, Jr.

ATL Arizona Testing Laboratories
817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181
Chemists
Engineers
Geologists

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: March 15, 1972

Lab. No.: see below

Sample: Ore

Marked: see below

Received:

Submitted by: same

REPORT OF QUALITATIVE SPECTROGRAPHIC EXAMINATION

ELEMENT	APPROXIMATE PERCENT			
	Lab. #2108 3972-1	Lab. #2109 3972-2	Lab. #2110 3972-3	Hole No 3 Lab. #2124 3-67 Special
Boron	----	0.006	----	0.008
Silicon	Major Constituent			
Aluminum	4.0	5.0	9.0	2.0
Manganese	0.4	0.4	0.1	IC*
Magnesium	1.0	1.0	2.0	0.3
Lead	0.7	1.0	0.2	5.0
Chromium	0.07	----	0.04	----
Gallium	0.005	----	0.005	----
Copper	0.02	0.01	0.008	0.08
Iron	4.0	5.0	4.0	6.0
Calcium	2.0	3.0	2.0	0.4
Vanadium	0.02	0.01	0.02	0.005
Sodium	0.1	0.1	0.8	----
Zinc	1.0	4.0	----	6.0
Titanium	0.2	0.03	0.3	0.005
Zirconium	----	----	0.01	----
Nickel	0.04	----	0.08	0.01
Potassium	1.0	----	1.0	----

IC* - Intermediate Constituent

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: March 17, 1972

Lab. No.: 2148, 2149

Sample: Ore

Marked: See Below

Received: 3-16-72

Submitted by: Mr. A. C. Harding

REPORT OF LABORATORY TESTS

GEOCHEMICAL ANALYSIS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
3-106-118	2.0	1	122	290	1410
3-120-125	0.4	trace	76	28	107

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

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ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: March 28, 1972

Lab. No.: 2235-4

Sample: Ore

Marked: see below

Received: ---

Submitted by: Mr. Harding

REPORT OF LABORATORY TESTS

GEOCHEMICAL ANALYSIS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
4-7-11	0.2	1	60	860	1040
4-122-124	0.1	1	145	120	380
4-124-127	0.6	1	187	500	660
4-127-130	0.1	1	---	---	---
Top of vein: 4-138-140	0.6	2	207	0.58%	0.49%
4-140-148	3.7	1	64	440 ppm	610 ppm
4-143-151S	2.2	2	64	215	940
4-148-155	0.9	1	44	76	355
4-151-167S	2.3	1	66	450	0.73%
4-155-160	0.8	1	40	140	320 ppm
4-160-165	1.2	1	64	960	920
4-165-170	0.3	1	115	120	280

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: March 30, 1972

Lab. No.: 2253,54,55

Sample: Ore

Marked: See Below

Received: 3-28-72

Submitted by: Mr. Harding

REPORT OF LABORATORY TESTS

GEOCHEMICAL ANALYSIS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
4-167-177S	1.1	1	115	245	0.98 %
4-170-176	2.2	1	92	21	480 ppm
4-176-180	0.6	1	78	50	194

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona

Date: March 31, 1972

Lab. No.: 2272, thru 2275

Sample: Ore

Marked: See Below

Received: ---

Submitted by: Mr. Al Harding

REPORT OF LABORATORY TESTS

GEOCHEMICAL ANALYSIS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
4-177-187S	0.3 ppm	1 ppm	110 ppm	470 ppm	325 ppm
4-180-186	0.5	1	100	27	245
4-186-194	0.3	1	85	9	160
4-194-202	0.2	1	95	18	0.52%

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: April 14, 1972

Lab. No.: 2373

Sample: Ore

Marked: see below

Received:

Submitted by: same

REPORT OF LABORATORY TESTS

GEOCHEM RESULTS

Sample Number	Gold	Silver	Copper	Lead	Zinc
5 - 2	.1 ppm	1 ppm	52 ppm	113 ppm	143 ppm
5 - 3	.1	1	52	115	153
5 - 4	.1	1	52	215	265
5 - 5	.1	1	50	144	245
6- 6	.1	1	60	79	138
6 - 7	.1	1	57	50	106
6 - 8	nil	1	71	72	158
6 - 9	.1	1	48	71	126
6 - 10	nil	1	43	45	335
6 - 11	.1	1	49	81	160
6 - 12	nil	1	53	120	213
6 - 13	nil	1	45	126	227
6 - 14	.1	1	38	390	700
6 - 15	nil	1	49	434	725
6 - 16	nil	1	64	940	725

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: April 24, 1972

Lab. No.: 2421

Sample: Ore

Marked: see below

Received: 4-20-72

Submitted by: same

REPORT OF LABORATORY TESTS

Sample No.	Gold	Silver	Copper	Lead	Zinc
4-130-136	nil	2 ppm	45 ppm	165 ppm	900 ppm
4-136-138	.5 ppm	3	120	0.49%	0.40%
6-23	nil	1	70	355 ppm	440 ppm
6-24	.1	1	60	175	320
6-25	nil	1	55	140	310
6-26	nil	1	65	80	2050
6-29	nil	1	65	100	490
6-30	.1	1	65	240	330
6-31	.2	1	35	90	190
6-32	.1	1	45	45	140
6-33	.1	1	60	215	300
6-34	.1	1	155	115	140
6-35	.1	1	165	70	110
6-36	.1	1	70	65	100
6-37	nil	1	75	60	100
6-38	.1	1	70	70	110
6-39	.1	1	80	100	150
6-40	.1	1	60	140	130
6-47	.1	1	85	105	140
6-48	.1	1	90	250	170
~~XXXX~~ 6-51	.1	1	85	100	200
6-55	.1	1	95	95	240
6-56	.1	1	90	55	260
6-57	.2	1	55	35	150
6-58	nil	1	85	30	150
6-59	.1	1	90	30	130
6-60	.1	1	80	30	170
6-61	.1	1	110	70	170
6-62	.1	1	105	105	230
6-63	.1	1	80	110	170
6-64	nil	1	65	125	170

Arizona Testing Laboratories

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: April 28, 1972

Lab. No.: 2440

Sample: Ore

Marked: See Below

Received: ---

Submitted by: Mr. Al Harding

REPORT OF LABORATORY TESTS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
6-65	nil	1	80	170	220
6-66	0.1	1	75	840	1800
6-67	nil	nil	90	480	1200
6-68	0.2	nil	100	630	1900
7-7	0.1	1	35	55	210
7-9	0.1	1	30	155	510
7-14	0.1	nil	105	1500	1000
7-18	0.2	1	60	260	380
7-19	0.2	1	80	1800	1200
7-20	0.2	1	90	1500	1800
7-21	0.1	1	75	900	1500
7-22	0.2	2	100	0.31%	0.42%
7-23	0.5	nil	380	0.67%	1.15%
7-24	nil	1	60	0.30%	1200 ppm
7-25	0.1	1	60	2400 ppm	1700
7-26	0.4	nil	65	2500	2100
7-27	1.6	1	35	1270	1300
7-28	0.1	2	50	690	1000
7-29	0.6	1	70	0.37%	2500
7-30	0.9	2	40	2400	2900
7-31	0.7	1	40	2800	0.30%
7-39	0.3	nil	35	780	1500 ppm
7-40	0.2	1	50	410	820
7-41	0.2	nil	65	280	570

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: April 28, 1972

Lab. No.: 2462

Sample: Ore

Marked: See Below

Received: ----

Submitted by: Mr. Harding

REPORT OF LABORATORY TESTS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
8-4	0.2	nil	40	810	950
8-12	nil	nil	60	90	170
8-17	0.2	1	70	910	640
8-18	0.2	nil	50	440	410
8-25	0.2	nil	60	380	320
8-26	0.1	nil	70	150	270
8-27	nil	nil	60	210	270
8-28	0.2	nil	85	720	670
8-29	0.1	nil	80	150	280
8-30	nil	nil	70	95	215
8-31	0.1	1	60	420	500
8-32	nil	nil	45	260	240
8-33	nil	nil	55	1500	630
8-34	nil	1	80	1950	1300
8-35	0.2	nil	95	1950	2250
8-36	0.2	1	160	0.34%	0.69%
8-37	0.2	1	100	2700 ppm	3000 ppm
8-38	0.6	1	100	0.50%	2650
8-39	0.3	nil	65	1100 ppm	2500
8-40	0.7	1	80	2950	0.44%
8-41	0.6	2	55	2050	2400 ppm
8-42	0.1	1	50	480	930
8-43	nil	1	70	350	450
8-44	nil	1	60	270	610
8-45	0.1	nil	50	90	300
8-50	nil	nil	75	170	215
8-55	0.1	nil	40	810	490
8-60	nil	nil	60	450	450
8-61	nil	1	70	390	410
8-62	0.1	nil	45	290	370
8-63	nil	1	50	170	390
8-64	nil	nil	50	170	265
8-65	nil	nil	50	200	310

Respectfully submitted,
ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: May 4, 1972

Lab. No.: 2513

Sample: Ore

Marked: See Below

Received: 5-3-72

Submitted by: Mr. Al Harding

REPORT OF LABORATORY TESTS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
7-32	0.5	1	90	1100	1200
7-33	0.1	nil	45	710	900
7-34	0.1	nil	50	640	930
7-35	0.3	1	65	300	560
7-36	0.3	1	95	190	520
7-37	0.6	1	95	1350	2800
9-3	nil	1	65	500	450
9-7	nil	1	70	200	290
9-11	nil	1	65	95	175
9-12	nil	1	65	190	320
9-15	nil	1	50	260	310
9-16	0.1	1	45	770	1600
9-17	nil	1	35	255	510
9-18	nil	1	35	120	300
9-19	nil	1	35	50	125
9-20	nil	1	50	510	430
9-21	0.5	1	230	0.35%	0.45%
9-22	nil	1	65	1770 ppm	1500 ppm
9-23	nil	1	70	880	650
9-24	nil	1	70	280	355
9-27	nil	1	80	120	400
9-28	0.1	1	70	220	315
9-29	nil	1	55	145	290
9-30	nil	nil	65	110	250

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: May 4, 1972

Lab. No.: 2513

Sample: Ore

Marked: See Below

Received: 5-3-72

Submitted by: Mr. Al Harding

REPORT OF LABORATORY TESTS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
9-31	nil	1	35	35	145
9-32	nil	1	40	30	150
9-36	nil	1	60	95	220
9-38	1.8	1	45	0.32%	0.97%
9-41	nil	1	60	45ppm	145 ppm
9-44	nil	1	60	185	255
9-45	nil	2	50	135	270
9-46	nil	2	45	45	285
9-47	2.0	3	50	330	475
9-48	3.4	2	40	115	290
9-49	3.4	1	150	80	140
9-50	0.8	1	100	30	140
9-51	0.2	1	50	25	100
9-52	1.3	2	45	25	90
9-53	0.6	2	50	25	100
9-54	1.0	1	70	25	130
9-55	4.0	1	55	20	130
9-56	2.5	1	40	20	65
9-57	1.3	2	50	30	80
9-58	0.4	1	80	15	135
9-59	0.5	1	70	30	120
9-60	0.5	1	60	25	90
9-61	0.7	1	55	55	120
9-62	3.5	2	70	40	100
9-63	43.0	14	90	75	145

Re-Check
9-63 (by fire assay) 56.0

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: May 8, 1972

Lab. No.: 2529

Sample: Ore

Marked: 10-3 thru 10-60

Received: 5-5-72

Submitted by: Mr. Al Harding

REPORT OF LABORATORY TESTS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
10-3	nil	1	55	45	150
10-4	nil	1	50	25	90
10-5	nil	1	45	210	310
10-6	0.3	1	80	1250	720
10-7	1.0	1	115	2000	0.49 %
10-10	0.2	1	90	400	640 ppm
10-29	0.2	1	65	350	670
10-36	0.2	1	45	260	480
9- ~~10~~-37	0.1	1	60	105	175
~~10~~-39	0.1	1	60	60	110
~~10~~-40	0.1	1	60	50	90
10-45	0.1	1	85	220	250
10-49	nil	1	60	160	280
10-50	nil	1	70	280	390
10-51	nil	1	135	1300	1150
10-52	0.1	1	100	650	680
10-53	0.2	1	80	450	540
10-54	0.1	1	60	300	390
10-55	0.1	1	75	950	1020
10-56	0.4	1	80	1650	1900
10-57	0.4	1	75	2500	0.34 %
10-58	0.4	1	70	2400	0.33 %
10-59	0.5	1	70	2200	0.31 %
10-60	0.3	1	75	2300	0.37 %

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: May 17, 1972

Lab. No.: 2607

Sample: Ore

Marked: #9 270 thru 324

Received: 5-17-72

Submitted by: :Mr. Harding

REPORT OF LABORATORY TESTS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
9-270-272	nil	2	88	52	81
9-315-318	0.7	2	163	75	72
9-318-321	0.6	1	61	28	69
9-321-324	nil	1	98	25	77

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona

Date May 22, 1972

Sample of Ore

Received: 5-22-72

Submitted by: Mr. Al Harding

ASSAY CERTIFICATE

Gold figured at $ 38.00 per ounce

Silver figured at $ 2.00 per ounce

LAB. NO.	IDENTIFICATION	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
2622	5211	nil	nil			
	5212	nil	nil			
	5213	0.2	8			
	9-302-306	0.2	1	33	2100	0.33%
	9-306-310	0.4	1	95	0.35%	0.32
	9-310-312	0.1	1	74	2100	2100
10	9-312-316	0.1	1	48	390	1400
	9-316-320	0.1	1			

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: MYstic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: May 23, 1972

Lab. No.: 2633

Sample: Ore

Marked: See Below

Received: 5-23-72

Submitted by: Mr. Al Harding

REPORT OF LABORATORY TESTS

Samples Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
6-69	nil	1	110	1240	1780
6-70	nil	1	140	430	1070
6-71	nil	1	90	340	760
6-72	nil	1	80	500	490
6-73	nil	1	80	390	530
6-74	nil	1	75	220	460
7-13	nil	1	90	230	330
7-15	0.1	1	60	90	170
7-38	3.1	1	50	0.33%	1.02%
10-8	0.1	1	50	210	500
10-9	0.1	1	55	180	250
10-320-324	0.3	2	110	2180	880
10-324-328	0.1	2	60	1770	630
10-328-331	0.2	1	190	0.41%	0.59%
10-331-336	0.1	1	120	320	1650
10-336-340	nil	1	75	150	350
10-340-344	0.1	1	70	890	1100
10-344-349	nil	1	50	140	260

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: May 24, 1972

Lab. No.: 2644

Sample: Ore

Marked: 10-350 thru 360

Received: 5-23-72

Submitted by: Mr. Al Harding

REPORT OF LABORATORY TESTS

Sample Marked	GOLD ppm	SILVER ppm	COPPER ppm	LEAD ppm	ZINC ppm
10-350-352	0.1	1	70	400	760
10-352-353	0.1	3	460	1.75%	0.83%
10-357-360	0.3	2	375	0.89%	1.40%

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

MYSTIC MINING COMPANY

COPIES
OF
LEGAL INSTRUMENTS

PARTNERSHIP AGREEMENT

LOCATION NOTICES (10)

AFFIDAVITS OF DISCOVERY WORK
BY DRILL HOLES (2)

LEASE FOR GUN BOLT CLAIM

MINING AGREEMENT

THIS AGREEMENT made and entered into this 28th day of January, 1971, by and between LEITH PIKE of Sun City, Arizona, and A. C. HARDING of Casper, Wyoming, WITNESSETH:

WHEREAS, Pike and Harding did enter into a Mining Agreement dated March 1, 1970, with respect to potential mining prospects and claims in Yavapai County, Arizona, agreeing to do business for the purposes therein set forth under the name of Mystic Mining Company, and

WHEREAS, Pike and Harding did then locate several Mystery Mining Calims, perform discovery work, and contract for diamond drill exploration, without, at this date, having determined the existence of commercial mineral deposits therein, so that said claims are considered to have little, if any, value, and

WHEREAS, Pike and Harding have continued, and expect to continue, to prospect and explore for mineral deposits, particularly, at this time, in an area in Maricopa County, Arizona, about ten miles north of Sun City, where they have evidence of the occurrence of minerals, which may justify further exploration, and

WHEREAS, such exploration and any acquisition of properties, which may involve federal, state, and private lands or leases, could require expenditures of money, it is considered desirable by the parties hereto to set forth in writing the terms and conditions involved in their continued association,

NOW, THEREFORE, it is mutually agreed by and between the parties hereto:

1. That in the general area of north-central Maricopa County and southern Yavapai County, Arizona, any mining properties heretofore acquired, or acquired in 1971, or subsequently acquired to extend such properties, shall be either acquired in the name of MYSTIC MINING COMPANY, or if acquired by either Pike or Harding shall be assigned to MYSTIC MINING COMPANY.

2. That under the provisions of the March 1, 1970, agreement, the respective interests of the parties hereto, at this date, in said company are, for Pike, Twenty Percent (20%), and for Harding Sixty-Five Percent (65%), with the balance of Fifteen Percent (15%) being held available for parties providing operating funds, and, that, in consideration of Harding's promise, herewith, to provide an additional Seven Thousand Five Hundred Dollars ($7,500.00) for future expenses to the company, he is herewith allotted said Fifteen Percent (15%), so that the respective interests of the parties hereto, from and after the dateof this agreement, are and shall be, Pike, Twenty Percent (20%), and Harding, Eighty Percent (80%).

3. That Pike shall not be required to provide any funds for exploration, acquisition, development, or any other purpose, until such time as income is available from said company or properties, and then in amounts proportional to the respective interests, but not to exceed such income.

4. That Harding shall be entitled to recover all advances and expenditures made by him before any division of income shall be made.

5. That Harding is and shall be vested with full managerial and dispositional privileges and responsibilities for said company and its properties, including the right to lease or to sell all or part of said properties and company, to act on behalf of said company and the parties hereto, and without liability for errors of omission or commission or of judgement, when such judgement is exercised in good faith.

6. That neither party shall sell, dispose of, nor obligate any or all of his separate interest in said company, property, or income therefrom, except through conveyance to or for members of his immediate family, without written approval of the other party, or without giving the other party prior and sufficient right to acquire such interest at an agreed or fair value.

7. That this Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO, AT SUN CITY, ARIZONA, THE DAY AND YEAR FIRST ABOVE WRITTEN.

Ruth H. Pike
WITNESS

Leith Pike
LEITH PIKE

Margaret Ann Harding
WITNESS

A. C. Harding
A. C. HARDING

DKT 9189 PAGE 256

13902
18-MINE

Notice of Mining Location

LODE CLAIM

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 1 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE, CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.") the undersigned, on the 17th day of JANUARY, 19 72

The length of this claim is 1,500 feet and we claim 370 feet in a S80°E direction and 1,130 feet in a N80°W direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the WEST to the EAST

The claim is situated and located in the PIKE'S PEAK Mining District, in MARICOPA county, in the State of Arizona, about 258 FEET in a S10°W direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 AND 12, T.5N., R.1W., of the Gila and Salt River Meridian, to the Discovery Post

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A POST at a point in a S80°E direction 370 feet from the discovery shaft (at which this notice is posted), being in the center of the EAST end line of said claim; thence S10°W 300 feet to a POST, being the SOUTHEAST corner of said claim; thence N80°W 1,500 feet to a POST being at the SOUTHWEST corner of said claim; thence N10°E 300 feet to a POST at the center of the WEST end of this claim; thence N10°E 300 feet to a POST, being at the NORTHWEST corner of said claim; thence S80°E 1,500 feet to a POST at the NORTHEAST corner of said claim; thence S10°W 300 feet to the place of beginning.

Dated and posted on the ground this 17th day of JANUARY, 19 72

Virgil Williams — A. C. Harding

Virgil Williams — Leith Pike

Witness — Locator(s)

STATE OF ARIZONA
COUNTY OF MARICOPA ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding

on JAN 19 '72 - 2 45 at M. Docket DKT 9189 PAGE 256

Page

Fee $2.00

Witness my hand and official seal the day and year aforesaid.

PAUL N. MARSTON
County Recorder.

By Mae Morgan
Deputy Recorder.

Indexed	Photostat Compared	Blotted

Form No. 24 Notice of Location—Lode Claim—Ampco Line Legal Blanks—Phoenix, Arizona

10726 N Tatum Rd, Sun City, Az 85351

DKT 9189 PAGE 257

Notice of Mining Location

LODE CLAIM

13903
18-MINE

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 2 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE, CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.")

the undersigned, on the 17th day of JANUARY, 19 72

The length of this claim is 1,500 feet and we claim 382 feet in a S80°E direction and 1,118 feet in a N80°W direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the WEST to the EAST

The claim is situated and located in the PIKE'S PEAK Mining District, in MARICOPA county, in the State of Arizona, about 858 FEET in a S10°W direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 AND 12, T.5N., R.1W., OF THE GILA AND SALT RIVER MERIDIAN, TO THE DISCOVERY POST

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A POST at a point in a S80°E direction 382 feet from the discovery shaft (at which this notice is posted), being in the center of the EAST end line of said claim; thence S10°W 300 feet to a POST, being the SOUTHEAST corner of said claim; thence N80°W 1,500 feet to a POST being at the SOUTHWEST corner of said claim; thence N10°E 300 feet to a POST at the center of the WEST end of this claim; thence N10°E 300 feet to a POST, being at the NORTHWEST corner of said claim; thence S80°E 1,500 feet to a POST at the NORTHEAST corner of said claim; thence S10°W 300 feet to the place of beginning.

Dated and posted on the ground this 17th day of JANUARY, 19 72

Virgil Williams — Witness

A. C. Harding
Leith Pike — Locator(s)

STATE OF ARIZONA
COUNTY OF MARICOPA } ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding on JAN 19 '72 -2 45 at M, Docket DKT 9189 PAGE 257 Page

Fee ~~$1.00~~ 2.00

Witness my hand and official seal the day and year aforesaid.

PAUL N. MARSTON
County Recorder.

By Mae Morgan
Deputy Recorder

Indexed	Photostat Compared	Blotted

DKT 9213 PAGE 671

Notice of Mining Location

LODE CLAIM

24680 18-MINE

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 3 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.")

the undersigned, on the 26th day of JANUARY, 19 72

The length of this claim is 1,500 feet and WE claim 100 feet in a N80°W direction and 1,400 feet in a S80°E direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the WEST to the EAST

The claim is situated and located in the PIKE'S PEAK Mining District, in MARICOPA county, in the State of Arizona, about 1,080 FEET in a N61°W direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 and 12, T.5N., R.1W., of the Gila and Salt River Meridian, to the Discovery Post

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A Post

at a point in a S80°E direction 1,400 feet from the discovery shaft (at which this notice is posted), being in the center of the EAST end line of said claim; thence S10°W 300 feet to a POST, being the SOUTHEAST corner of said claim; thence N80°W 1,500 feet to a POST being at the SOUTHWEST corner of said claim; thence N10°E 300 feet to a POST at the center of the WEST end of this claim; thence N10°E 300 feet to a POST, being at the NORTHWEST corner of said claim; thence S80°E 1,500 feet to a POST at the NORTHEAST corner of said claim; thence S10°W 300 feet to the place of beginning.

Dated and posted on the ground this 26th day of JANUARY, 19 72

Angel C. Williams — A. C. Harding

Angel C. Williams — Leith Pike

Witness — Locator(s)

STATE OF ARIZONA
COUNTY OF MARICOPA } ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding

FEB 1 '72 -10 50

on ..... at ..... M., Docket DKT 9213 PAGE 671 Page.....

Fee ~~$2.00~~ 2.00

Witness my hand and official seal the day and year aforesaid.

PAUL N. MARSTON
County Recorder.

By Alyce K. Ettel
Deputy Recorder.

Indexed	Photostat Compared	Blotted

Form No. 24—Notice of Location—Lode Claim—Ampco Line Legal Blanks—Phoenix, Arizona

10726 Hatches Rd. Sun City Ariz 85351

DKT 9213 PAGE 672

Notice of Mining Location

18-MINE

LODE CLAIM

24681

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 4 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.")

the undersigned, on the 26th day of JANUARY, 19 72

The length of this claim is 1,500 feet and We claim 100 feet in a S80°E direction and 1,400 feet in a N80°W direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the WEST to the EAST

The claim is situated and located in the PIKE'S PEAK Mining District, in MARICOPA county, in the State of Arizona, about 1,250 FEET in a S87°W direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 and 12, T.5N., R.1W., OF THE GILA AND SALT RIVER MERIDIAN, TO THE DISCOVERY POST

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A POST at a point in a S80oE direction 100 feet from the discovery shaft (at which this notice is posted), being in the center of the EAST end line of said claim; thence S10°W 300 feet to a POST, being the SOUTHEAST corner of said claim; thence N80°W 1,500 feet to a POST being at the SOUTHWEST corner of said claim; thence N10°E 300 feet to a POST at the center of the WEST end of this claim; thence N10°E 300 feet to a POST, being at the NORTHWEST corner of said claim; thence S80°E 1,500 feet to a POST at the NORTHEAST corner of said claim; thence S10°W 300 feet to the place of beginning.

Dated and posted on the ground this 26th day of JANUARY, 19 72

Virgil Williams
Virgil Williams
Witness

A. C. Harding
Leith Pike
Locator(s)

STATE OF ARIZONA
COUNTY OF MARICOPA } ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding on FEB 1 '72 -10 50 at M, Docket DKT 9213 PAGE 672 Page

Fee ~~$1.00~~ 2.00

Witness my hand and official seal the day and year aforesaid.

PAUL N. MARSTON
County Recorder.

By Alyce Lettes
Deputy Recorder.

Indexed	Photostat Compared	Blotted

Form No. 24—Notice of Location—Lode Claim—Ampco Line Legal Blanks—Phoenix, Arizona

10726 Hatcher Rd. Sun City Ariz 85351

BKT 9213 PAGE 673

Notice of Mining Location

LODE CLAIM

24682 18-MINE

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 5 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.")

the undersigned, on the 26th day of JANUARY, 19 72

The length of this claim is 1,500 feet and WE claim 100 feet in a S80°E direction and 1,400 feet in a N80°W direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the WEST to the EAST

The claim is situated and located in the PIKE'sPEAK Mining District, in MARICOPA county, in the State of Arizona, about 1,270 FEET in a N64°W direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 AND 12, T.5N., R.1W., OF THE GILA AND SALT RIVER MERIDIAN, TO THE DISCOVERY POST

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A POST at a point in a S80°E direction 100 feet from the discovery shaft (at which this notice is posted), being in the center of the EAST end line of said claim; thence S10°W 300 feet to a POST, being the SOUTHEAST corner of said claim; thence N80°W 1,500 feet to a POST being at the SOUTHWEST corner of said claim; thence N10°E 300 feet to a POST at the center of the WEST end of this claim; thence N10°E 300 feet to a POST, being at the NORTHWEST corner of said claim; thence S80°E 1,500 feet to a POST at the NORTHEAST corner of said claim; thence S10°W 300 feet to the place of beginning.

Dated and posted on the ground this 26th day of JANUARY, 1972

Virgil Pellman — A. C. Harding

Virgil Williams — Leith Pike

Witness — Locator(s)

STATE OF ARIZONA
COUNTY OF [illegible] } ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding

FEB 1 '72 -10 50 on at M, Doc. BKT 9213 PAGE 673 Page

Fee $1.00 2.00

Witness my hand and official seal the day and year aforesaid.

PAUL N. MARSTON
County Recorder.

By Alyce Ketcher
Deputy Recorder.

Indexed	Photostat Compared	Blotted

Form No. 24 Notice of Location—Lode Claim—Ampco Line Legal Blanks. Phoenix, Arizona

10726 Hatcher Rd. Sun City Ariz 85351

BK 9234 PAGE 682

Notice of Mining Location

LODE CLAIM

33115

18-MINE

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 6 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.") the undersigned, on the 8th day of FEBRUARY, 19 72

The length of this claim is 1,500 feet and WE claim 175 feet in a N10°E direction and 1,325 feet in a S10°W direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the NORTH to the SOUTH

The claim is situated and located in the PIKE'S PEAK Mining District, in MARICOPA county, in the State of Arizona, about 1,000 FEET in a S30°E direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 AND 12, T.5N., R.1W., OF THE GILA AND SALT RIVER MERIDIAN, TO THE DISCOVERY POST.

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A POST at a point in a N10°E direction 175 feet from the discovery shaft (at which this notice is posted), being in the center of the NORTH end line of said claim; thence S80°E 300 feet to a POST, being the NORTHEAST corner of said claim; thence S10°W 1,500 feet to a POST being at the SOUTHEAST corner of said claim; thence N80°W 300 feet to a POST at the center of the SOUTH end of this claim; thence N80°W 300 feet to a POST, being at the SOUTHWEST corner of said claim; thence N10°E 1,500 feet to a POST at the NORTHWEST corner of said claim; thence S80°E 300 feet to the place of beginning.

Dated and posted on the ground this 8th day of FEBRUARY, 19 72

Edward Wunsch — Witness

A. C. Harding
Leith Pike — Locator(s)

STATE OF ARIZONA
COUNTY OF MARICOPA } ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding FEB 10 '72 -9 35 on ..... at ..... M, Docket ..... Page BK 9234 PAGE 682

Fee ~~$1.00~~ 200

Witness my hand and official seal the day and year aforesaid.

PAUL R. MARSTON
County Recorder.

By Jean John
Deputy Recorder.

Indexed	Photostat Compared	Blotted

10726 Hatcher Rd - Sun City 85351

DKT 9234 PAGE 683

Notice of Mining Location

LODE CLAIM

33116

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 7 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.") the undersigned, on the 8th day of FEBRUARY, 19 72

The length of this claim is 1,500 feet and WE claim 100 feet in a N10°E direction and 1,400 feet in a S10°W direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the NORTH to the SOUTH

The claim is situated and located in the PIKE'S PEAK Mining District, in MARICOPA county, in the State of Arizona, about 1,450 FEET in a S52°E direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 AND 12, T.5N., R.1W., OF THE GILA AND SALT RIVER MERIDIAN, TO THE DISCOVERY POST.

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A POST at a point in a N10°E direction 100 feet from the discovery shaft (at which this notice is posted), being in the center of the NORTH end line of said claim; thence S80°E 300 feet to a POST, being the NORTHEAST corner of said claim; thence S10°W 1,500 feet to a A POST being at the SOUTHEAST corner of said claim; thence N80°W 300 feet to a POST at the center of the SOUTH end of this claim; thence N80°W 300 feet to a POST, being at the SOUTHWEST corner of said claim; thence N10°E 1,500 feet to a POST at the NORTHWEST corner of said claim; thence S80°E 300 feet to the place of beginning.

Dated and posted on the ground this 8th day of FEBRUARY, 19 72

Edward Wurcell — A. C. Harding

Edward Wurcell — Leith Pike

Witness — Locator(s)

STATE OF ARIZONA
COUNTY OF MARICOPA } ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding

FEB 1 0 '72 -9 35 on ... at ... M, Docket ... Page DKT 9234 PAGE 683

Fee ~~$1.00~~ 2.00

Witness my hand and official seal the day and year aforesaid.

PAUL N. MARSTON
County Recorder.

By Jean John
Deputy Recorder.

Indexed	Photostat Compared	Blotted

DKT 9234 PAGE 684

Notice of Mining Location

LODE CLAIM

33117

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 8 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.")

the undersigned, on the 8th day of FEBRUARY, 19 72

The length of this claim is 1,500 feet and WE claim 1,400 feet in a N10°E direction and 100 feet in a S10°W direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the NORTH to the SOUTH

The claim is situated and located in the PIKE'S PEAK Mining District, in MARICOPA county, in the State of Arizona, about 1,350 FEET in a S59°E direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 AND 12, T.5N., R.1W., OF THE GILLA AND SALT RIVER MERIDIAN, TO THE DISCOVERY POST.

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A POST at a point in a S10°W direction 100 feet from the discovery shaft (at which this notice is posted), being in the center of the SOUTH end line of said claim; thence N80°W 300 feet to a POST, being the SOUTHWEST corner of said claim; thence N10°E 1,500 feet to a POST being at the NORTHWEST corner of said claim; thence S80°E 300 feet to a POST at the center of the NORTH end of this claim; thence S80°E 300 feet to a POST, being at the NORTHEAST corner of said claim; thence S10°W 1,500 feet to a POST at the SOUTHEAST corner of said claim; thence N80°W 300 feet to the place of beginning.

Dated and posted on the ground this 8th day of FEBRUARY, 19 72

Edward Hyman — Witness

A. C. Harding
Leith Pike — Locator(s)

STATE OF ARIZONA
COUNTY OF MARICOPA } ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding

FEB 10 '72 -9 35

on ..... at

..... M, Docket .....

Page DKT 9234 PAGE 684

Witness my hand and official seal the day and year aforesaid.

PAUL W. MARSTON
County Recorder.

By Jean John
Deputy Recorder.

200

Fee ~~$1.00~~

Indexed	Photostat Compared	Blotted

BKT 9234 PAGE 685

Notice of Mining Location

LODE CLAIM

33118

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 9 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.")

the undersigned, on the 8th day of FEBRUARY, 19 72

The length of this claim is 1,500 feet and WE claim 200 feet in a S80°E direction and 1,300 feet in a N80°W direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the West to the EAST

The claim is situated and located in the PIKE'S PEAK Mining District, in MARICOPA county, in the State of Arizona, about 950 FEET in a N20°E direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 AND 12, T.5N., R.1W., OF THE GILLA AND SALT RIVER MERIDIAN, TO THE DISCOVERY POST.

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A POST

at a point in a S80°E direction 200 feet from the discovery shaft (at which this notice is posted), being in the center of the EAST end line of said claim; thence S10°W 300 feet to a POST, being the SOUTHEAST corner of said claim; thence N80°W 1,500 feet to a POST being at the SOUTHWEST corner of said claim; thence N10°E 300 feet to a POST at the center of the WEST end of this claim; thence N10°E 300 feet to a POST, being at the NORTHWEST corner of said claim; thence S80°E 1,500 feet to a POST at the NORTHEAST corner of said claim; thence S10°W 300 feet to the place of beginning.

Dated and posted on the ground this 8th day of FEBRUARY, 19 72

Edward Wendt — A. C. Harding

Edward Wendt — Leith Pike

Witness — Locator(s)

STATE OF ARIZONA
COUNTY OF MARICOPA ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding

FEB 10 '72 -9 35

on ..... at ..... M, Docket ..... Page BKT 9234 PAGE 685

Fee ~~$1.00~~ 200

Witness my hand and official seal the day and year aforesaid.

PAUL N. MARSTON
County Recorder.

By Jean John
Deputy Recorder.

Indexed	Photostat Compared	Blotted

DKT. 0421 PAGE 866

Notice of Mining Location

LODE CLAIM

18-MINE
116946

TO ALL WHOM IT MAY CONCERN:

This Mining Claim, the name of which is the QUESTION NO. 10 Mining Claim, situate on land belonging to the United States of America, and in which there are valuable mineral deposits, was entered upon and located for the purpose of exploration and purchase by A. C. HARDING and LEITH PIKE, CITIZENS OF THE UNITED STATES

(Locator must insert either "A Citizen of the United States," or "Who has declared his intention to become a Citizen of the United States.")

the undersigned, on the 1st day of MARCH 19 72

The length of this claim is 1,500 feet and we claim 100 feet in a S80°E direction and 1,400 feet in a N80°W direction from the center of the discovery shaft, at which this notice is posted, lengthwise of the claim together with 300 feet in width of the surface grounds, on each side of the center of said claim. The general course of the lode deposit and premises is from the WEST to the EAST

The claim is situated and located in the PIKE'S PEAK Mining District, in MARICOPA county, in the State of Arizona, about 1,500 FEET in a SOUTHERLY direction from THE BRASS CAP QUARTER CORNER OF SECTIONS 11 AND 12, T.5N., R.1W., OF THE GILA AND SALT RIVER MERIDIAN, TO THE DISCOVERY POST

The surface boundaries of the claim are marked upon the ground as follows:

Beginning at A POST at a point in a S80°E direction 100 feet from the discovery shaft (at which this notice is posted), being in the center of the EAST end line of said claim; thence S10°W 300 feet to a POST, being the SOUTHEAST corner of said claim; thence N80°W 1,500 feet to a POST being at the SOUTHWEST corner of said claim; thence N10°E 300 feet to a POST at the center of the WEST end of this claim; thence N10°E 300 feet to a POST, being at the NORTHWEST corner of said claim; thence S80°E 1,500 feet to a POST at the NORTHEAST corner of said claim; thence S10°W 300 feet to the place of beginning.

Dated and posted on the ground this 1st day of MARCH 19 72

Virgil Wilhoum — Witness

A. C. Harding
Leith Pike — Locator(s)

STATE OF ARIZONA
COUNTY OF MARICOPA } ss.

I hereby certify that the within instrument was filed and recorded at request of A. C. Harding

on MAY 9 '72 - 10 30 at M, Docket 0421 Page 866

Fee ~~$1.00~~ 2.00

Witness my hand and official seal the day and year aforesaid.

PAUL N. MARSTON
County Recorder.

By Jeane Gahn
Deputy Recorder.

Indexed	Photostat Compared	Blotted

9421 PAGE 867

116947

AFFIDAVIT OF DISCOVERY WORK DONE ON LODE MINING CLAIMS BY DRILLING

WHEREAS, the undersigned, A. C. HARDING and LEITH PIKE, being the Discoverers and Locators of this Lode Mining Claim, QUESTION NO. 1, and of the contiguous Lode Mining Claims, QUESTION NOS. 2, 3, 4, 5, 9, and 10, and

WHEREAS, in the period commencing March 1, 1972, and ending April 22, 1972, they did drill on QUESTION NO. 1, four (4) diamond drill holes, with core size of 1 and 7/16th inches, outside diameter being 2.36 inches, herewith identified as being Hole No. 1, 30 feet deep vertically; Hole No. 2, 242 feet deep vertically; Hole No. 3, 131 feet deep vertically; and Hole No. 4, 204 feet deep vertically; and on QUESTION NO. 2, by rotary bit, 5 and 5/8th inches diameter, tapering to 4½ inches, 368 feet deep vertically, the total being 975 feet, and

WHEREAS, the cost of performing said drilling was considerably in excess of Seven Hundred Dollars ($700), for the benefit of said seven Lode Mining Claims, and

WHEREAS, the seven aforesaid claims are contained within an area equalling, and not exceding, 3,000 feet by 3,000 feet square, and

WHEREAS, Holes numbered, 2, 3, 4, and 6 have each been capped by a steel pipe, and the location of Hole No. 2 has been marked within five feet by a wood post, 4 inches by 4 inches square and 48 inches high, together with a notice and plat containing all the aforesaid information,

NOW THEREFORE, the undersigned do proclaim and affirm that they have performed discovery work on said claims in compliance with Arizona Statutes, Section 27-203, Sub-Sections C-1 and C-2, and have affixed hereto a plat, to scale, showing the arrangement of said claims and the location of said drill holes.

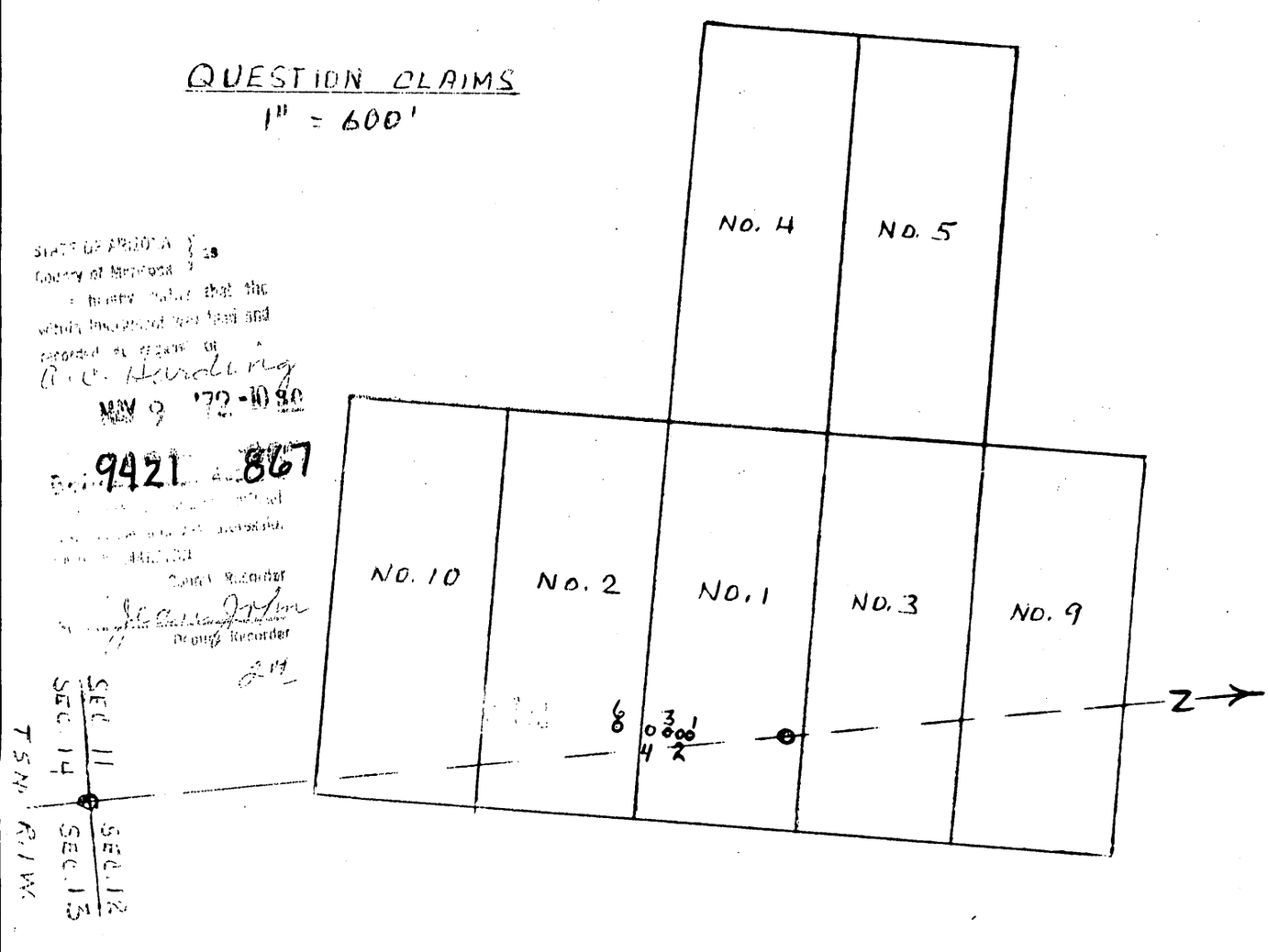
IN WITNESS WHEREOF, we have affixed our signatures hereto this 29th day of April, 1972.

Virgil Wellman — A. C. Harding

Virgil Wellman — Leith Pike

Witness

PLAT



STATE OF ARIZONA } ss
County of Maricopa }
I hereby certify that the within instrument was filed and recorded at request of A. C. Harding
MAY 9 '72 - 10 00
9421 867
Count Recorder
Deputy Recorder

116948

AFFIDAVIT OF DISCOVERY WORK DONE ON LODE MINING CLAIMS BY DRILLING.

WHEREAS, the undersigned, A. C. HARDING and LEITH PIKE, being the Discoverers and Locators of this Lode Mining Claim, QUESTION NO. 6, and of the contiguous Lode Mining Claims, QUESTION NOS. 7 and 8, and

WHEREAS, in the period commencing April 22, 1972, and ending April 25, 1972, they did drill on QUESTION NO. 6, two (2) hammer-air drill holes, of diameter approximately 5½ inches, herewith identified as Hole No. 7, 205 feet deep vertically; and Hole No. 8, 325 feet deep vertically, the total being 530 feet, and

WHEREAS, the cost of performing said drilling was considerably in excess of Three Hundred Dollars ($300), for the benefit of said three Lode Mining Claims, and

WHEREAS, the three aforesaid claims are contained within an area equalling, and not exceding, 3,000 feet by 3,000 feet square, and

WHEREAS, Hole No. 8 has been capped by a steel pipe and its location marked within five feet by a wood post, 4 inches by 4 inches square and 48 inches high, together with a noti notice and plat containing all the afiresaid information,

NOW THEREFORE, the undersigned do proclaim and affirm that they have performed discovery work on said claims in compliance with Arizona Statutes, Section 27-203, Sub-Sections C-1 and C-2, and have affixed hereto a plat, to scale, showing the arrangement of said claims and the location of said drill holes.

IN WITNESS WHEREOF, we have affixed our signatures hereto this 29th day of April, 1972.

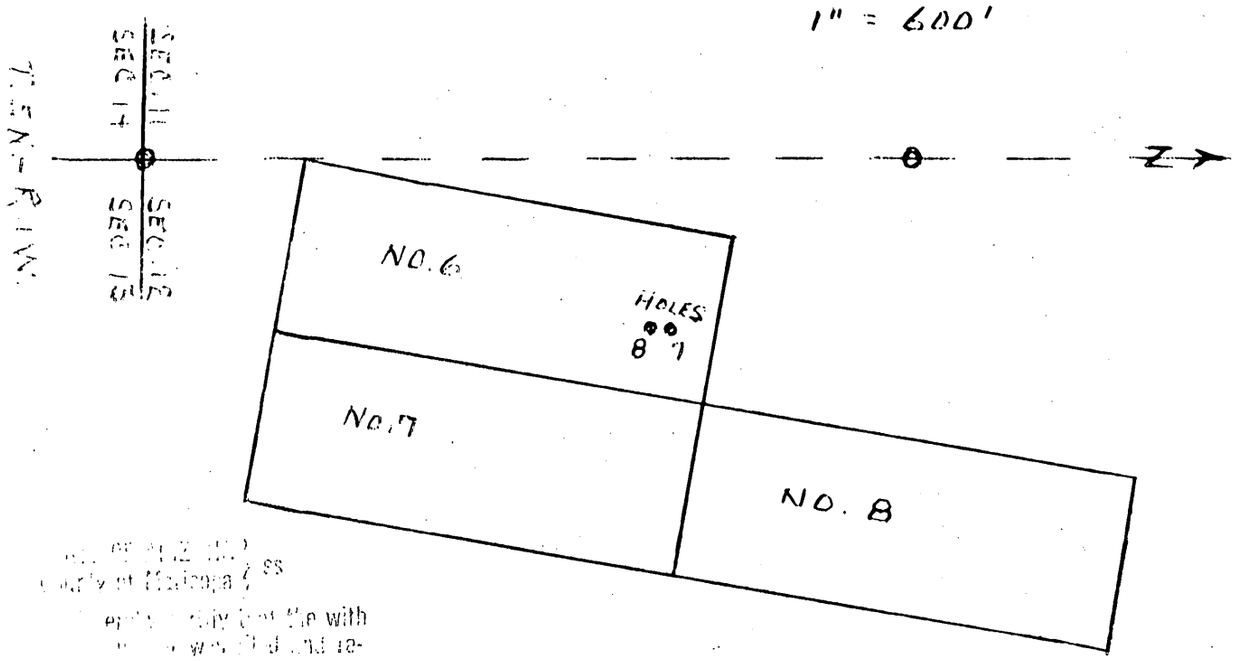
Virgil Wellons — A.C. Harding

Virgil Wellons — Leith Pike

Witness

PLAT

QUESTION CLAIMS
1" = 600'



State of Arizona } ss
County of Maricopa }

Filed for record at the request of A. C. Harding
MAY 9 '72 - 10 30

9421 868

Recorder

Joan Johnson
Deputy

MINING OPTION AND LEASE AGREEMENT

THIS MINING OPTION AND LEASE AGREEMENT made and entered into this 18th day of February, 1972, by and between N. O. WHITE and FLORETTE WHITE, husband and wife; RICHARD WHITE ~~and WHITE, husband and wife~~, hereinafter called "LESSORS", and A. C. HARDING and LEITH PIKE, doing business as Mystic Mining Company, a partnership, hereinafter called "LESSEES", WITNESSETH:

WHEREAS, Lessors are the locators and owners of a lode mining claim, known as the GUN BOLT, situated in Section 12, T.5N., R.1W., of the Gila and Salt River Meridian, in Maricopa County, Arizona, located April 15, 1969, and

WHEREAS, Lessees are the locators and owners of lode mining claims adjacent to the Gun Bolt, and are contemplating the expenditure of money for core-drilling to ascertain the existence or non-existence of commercially minable mineral deposits on their own claims and on the Gun Bolt,

NOW, THEREFORE, it is agreed by and between the parties hereto:

1. For and in consideration of the sum of THREE HUNDRED DOLLARS ($300.00), in hand paid by Lessees, the receipt whereof being hereby acknowledged by Lessors, Lessors hereby lease and let said mining claim to Lessees with the exclusive right to prospect, drill, sample, explore, develope, mine, produce, and concentrate or otherwise recover any and all of the rocks, ores, minerals and metals and by-products thereof which may be contained in or on said mining claim.

2. The initial term of this Agreement, covered by the consideration above acknowledged, is for a period of three (3) months from date hereof. Lessees may extend their rights under this Agreement, at their option, for one or more additional terms, by making additional payments to Lessors at the beginning of each such term, as herein provided. For the balance of the first year of this Agreement such payment shall be at the rate of ONE HUNDRED DOLLARS ($100.00) a month. For the second year such payment shall be at the rate of TWO HUNDRED DOLLARS ($200.00) a month, and thereafter at the rate of FIVE HUNDRED DOLLARS ($500.00) a month. Such payments shall be considered as minimum advance payments against future earned royalties as hereinafter provided and may be paid for more than one month in advance at Lessee's option, but shall not be recoverable by Lessees in event there is insufficent earned royalties.

3. For any calendar month in which there is income from production from said claim, and on or before the last day of the succeeding month, Lessees shall pay to Lessors, as earned royalties, TEN PERCENT (10%), of the amount of gross production from said claim. Gross production shall mean the aggregate amount of all sales of rocks, minerals, concentrates, metals or other products mined or removed from said claim, after deducting any charges for transportation, concentrating, smelting, insurance, or commissions paid to third parties. There shall be no deduction for ordinary mining expenses or for ordinary concentrating expenses conducted by Lessees.

4. Upon failure by Lessees to make any payment as required herein, Lessors shall advise Lessees of such failure by registered mail, and unless such failure is cured by Lessees within thirty (30) days after receipt of such notice, Lessees shall forfeit all rights hereunder, and this Agreement shall be void, except for Lessee's obligation to pay any earned royalties due.

5. Lessors agree to make a new Location Notice in form satisfactory to Lessees. Lessees agree to pay filing fee for recording said notice, and in the event that Lessees do not perform sufficient Discovery Work to comply with legal requirements within 120 days of the date of said Location, Lessees agree to pay to Lessors the amount of $One Hundred Dollars ($100.00) so that Lessors may have such Discovery Work completed without cost to them.

6. Upon request of Lessees, Lessors agree to furnish a single mailing address for transmittal or deposit of all payments due hereunder.

7. Lessees agree to save Lessors harmless from any liability resulting from any of Lessees' actions hereunder.

8. This Agreement shall be binding upon the heirs, administrators, executors, successors, or assigns of the parties hereto.

WITNESS THE HAND AND SEALS OF THE PARTIES HERETO, THE DATE AND YEAR FIRST ABOVE WRITTEN:

Witness	N. O. White N. O. WHITE
Witness	Florette White FLORETTE WHITE
Witness	Richard White RICHARD WHITE
Witness	WHITE

MYSTIC MINING COMPANY

A. C. Harding

Attest

A. C. Harding
President

REPORT

OF

WESTERN GOVERNORS' MINING

ADVISORY COUNCIL

Presented To

THE WESTERN GOVERNORS' CONFERENCE

Jackson Lake Lodge, Wyoming

July 14, 1971

By
ALBERT C. HARDING
Chairman, WGMAC

INDEX

	Page
The Environment	1
Mining Involvement	2
Water	5
Land	6
Air	7
Future Mineral Requirements	8
General Economics	9
National Wealth	10
Keynes	10
Mining Dollar vs. Tourist Dollar	12
Tax Benefits to Public	12
Optimism	13
The Prospector	14
Safety	15
Mine Safety	16
Mineral Imports	18
Recommendation	19

TO: THE HONORABLE WESTERN GOVERNORS

Your Council welcomes this opportunity to try to put the mining industry into rational perspective. It seems especially pertinent this year to take a comprehensive look at the industry's involvement in environmental and economic problems, twin problems, which should be, henceforth, inseparable.

The environment is one of the most publicized practical and political problems of the seventies. Perhaps never before has there been such widespread public participation in political processes. Certainly never before has the mining industry faced such a multiplicity of proposals to legislate, regulate, and even to eliminate. Unfortunately, as in most times of crisis, some of the loudest voices shouting frenetic solutions would create more problems than they propose to solve. Aggravating the real problem are some people whose main purpose seems to be aggravation. For some it is apparently self-fulfilling to "Cry 'Havoc' and let slip the dogs of war" against all industries, all construction, all environmental changes. Despite the sincere zeal of many to remedy undesirable situations immediately, we need to take a rational look at the total picture.

THE ENVIRONMENT

Even some industry leaders, encountering belligerent audiences, have felt impelled to pledge an impossibility, an undisturbed environment. Dr. Pecora, Under Secretary of the Interior, responds that environmental changes are inevitable. He mentions tremendous natural processes, such as an annual precipitation on the face of the U. S. of 4 million tons of salt, and says that more particulates have fallen on the earth from three volcanic erruptions than from all of man's activities. We know, also, that each of us changes the environment by existing, by using and polluting some part of it. Our concern, therefore, is

not just with environmental change, but with avoidable degradation, not just with pollution, but with unnecessary pollution.

MINING INVOLVEMENT

The problem stems not primarily from the mining industry, but from two concurrent, continuing factors, the tremendous population growth, and man's seemingly insatiable appetite for energy. These two factors have combined over the last 25 years to increase electrical energy consumption by six times and gasoline energy sixteen times. Most of the energy is created, as is animal and human energy, by combustion, and combustion always produces waste products. These factors, products, and the resulting problem cannot be attributed directly to the mining industry, but the industry acknowledges, partly because now it must, increased responsibility to not unnecessarily contribute to the problem.

The mining industry is part of the problem because mineral deposits are part of the environment. The miner has always been especially cognizant of environment. The location of his mine and operating procedures are dictated or influenced by his immediate environment, which often has been hostile to his survival, and sometimes has terminated it drastically. The environment is not a new factor in mineral industry decisions, but, today, as in all industries, in all engineering projects, it is a newly emphasized factor, because environmental concerns have expanded beyond previous horizons.

A southwestern governor has told mining companies in his state that the cost of removing pollutants must be part of their cost of doing business in that state. Miners in all states now know that this factor and others are of increasing importance in making operating decisions. One state's new 'Department of Economic Planning and Development' has already indicated that such fac-

tors will include aesthetic value, recreational value, historic, fish and wildlife, urban development, and agricultural values. Today's miner will not be inclined to ignore such values, partly because he will not be allowed to, but, also, because the miner, too, is part of the public, and hopefully concerned with the heritage he bequeathes to his own posterity.

We are, or should be, grateful to many of those people who are environmentally concerned, but it seems certain that the mining industry must forever remain incompatible with those who profess concern only for a natural environment, at the expense of man's total environment, which includes economic, social, cultural, and home environments. Protection of the environment cannot be absolute, but must be modified by the need for production from the environment, and vice versa. Bertrand Russell wrote, years ago, "The problem of survival means in the first place that man must try to bend the forces of nature to his own will". Despite any conflicts, the mineral industry and a viable progressive ecology can and must exist together. Twenty-five hundred years ago Pythagoras and other Greek philosophers developed the idea the harmony and existence itself depend upon a balanced adjustment of opposing tendencies. Opposing tendencies are reconciled in the laws of physics and nature and must be in the art of politics. We suggest that the greatest continuing challenge in our legislative halls and administrative offices is to beneficially balance man's two opposing desires, for security and liberty. Encouragingly, the state department previously mentioned has announced that the state should not try to separate environmental planning from economic planning. Another western governor has been quoted as saying, "Man does not live by bread alone, but he does not live on scenery, and pure air and pure water alone" and has often expressed his concern for "the total quality of life". He has also called for continuing development of our

mineral resources, without deterioration of the environment. In a strict sense, it may be that we can't have the one without the other, and the relativeness of the two must be weighed in balance, under a precept stated in Emerson's essay on 'Compensation', that for everything we get we have to give up something.

The mining industry has factors peculiar to it. Because it is an extractive industry, the miner is necessarily involved in creating waste products, sometimes of terrific proportions. A copper mine may recover only 8 pounds of copper from 2,000 pounds of ore, and move an equal volume of barren rock to reach ore. A gold mine, to recover a pound of gold, may treat 80,000 to 100,000 pounds of ore. Disposal of waste products is a continuing problem. In some operations there can result improvement to the initial environment, except in the opinion of the purist naturalist, who sees disaster in any disturbance of the pristine pattern. In other operations some waste is put to beneficial use, or returned underground, but the net effect is some degradation. The total for all mining operations may be only a fraction of one percent of the degradation effected by such things as the nation's highway construction or home-building, and the effect of some mines on the ecological part of the environment may be less than a single automobile's lifetime destruction of birds, rodents, and insects.

The mining industry has long practiced conservation, at least that part of it concerned with blending low-grade ore, not usable or profitable alone, with higher grade ore, to produce more usable materials in the long run. It must be noted, here, that any unnecessary tax, royalty, or environmental increment added to the cost of producing low grade ore contributes to the economic posibility that some minerals may be left forever, unmined. A guide line was stated in 1908 by a great conservationist, President Teddy Roosevelt, in a letter to a mining engineer, "No effort should be made to limit the wise and proper develop-

ment of these resources; every effort should be made to prevent destruction, to reduce waste, and to distribute the enjoyment of our natural wealth in such a way as to promote the greatest good of the greatest number for the longest time". The mining industry's contribution to that greatest good will be essayed later in this report.

Our industry has not been blameless by any means, during the years in which environmental problems have been developing, but, now, from mining areas in every state come announcements of plants to correct and minimize damage to the environment, with special regard to water, land, and air.

WATER

Problems created by some eastern coal mines, with acid mine waters, have tarnished the image of all mines, although similar conditions are relatively rare in the west. Mine-water problems exist. It might be noted that some mine waters are harmless, others less harmful than permissible discharges of municipalities, that some mines develop and provide water which otherwise would not be developed, and that water can be more harmful to a mine than the mine to the water.

The Bureau of Mines has reported that nationally the amount of water used by the mineral industry comprises only two percent of that used by all industries, and has noted that water used in mining is quite productive. In the eleven contiguous western states, average gross value of mineral production is $3,250 per acre-foot of new water used, or 100 times as much as from the acre-foot used to produce a ton of alfalfa, perhaps valued at $30. The water used by the miner is also more expensive. The average cost to Nevada's mineral industry is over $32 per acre-foot, far above the agricultural economic range of $3 to $6.

That causes the miner to recirculate water wherever and as often as possible. Nevada's Carlin gold mine, for instance, discharges no water, and the only loss is to evaporation. Where water is discharged, it is now closely scrutinized, and when necessary treated for minimal ecological damage. For example, plans to improve water discharges will cost several million at Anaconda, and $5.6 million at Homestake.

LAND

Through the Mining and Minerals Policy Act of 1970, the Congress and the President recognized that mineral deposits of economic value are relatively rare, have to be mined where they are found, and require less surface area than most other land uses. The mining industry must damage some surface lands, but a year ago, one western governor reported that the total damage in his state, since mining began, was less than that utilized for sand and gravel excavations needed for highway construction alone. Among causes of past land degradation have been state laws encouraging some discovery work to be done with bulldozers, scarring surfaces, and actually wasting work so far as mineral development was concerned. Some improvement has been effected by substituting drill holes, through recommendations of the industry. The industry is not yet united on further substitution by filing survey notes or a map in lieu of physical discovery work, although in at least one state a start is being made toward mapping existing mining locations. About one-half of all states have now adopted Land Reclamation Laws. Considerable Federal legislation is being proposed, some of it unnecessarily restrictive, and potentially disastrous. Public Land Law Review Commission recommendations, also, will result in many proposals for modification of general mining law. Some of those proposals already have mining industry endorsement, others will not be resisted, but some will require

analysis when more definitely formulated. That Commission has recommended retention of a location-patent system to keep public lands open for exploration, in the public interest. The mining industry has long opposed abuses of the intent of present mining laws and seeks to cooperate in correcting them.

AIR

Particulate matter is an obvious type of air pollution, and all industries are trying to reduce or eliminate visual emissions. Smelter operators, and some coal burning power plants, have special technological problems involving modifications for sulphur-dioxide emissions. For years methods have been sought to convert sulpher-dioxide to elemental solid sulphur. Present capabilities convert it to sulphuric acid, only partially satisfactory because of limited demand. One state alone could produce an annual excess of almost two million tons of sulphuric acid, and storage would be a staggering problem and safety hazard.

Hopeful for the future are many things, such as accelerated experiments in hydrometallurgy, a wet process in lieu of smelter combustion, and in development of geothermal sources and processes for power generation. Both governmental and private agencies are involved. The Bureau of Mines, for instance, is developing a wet process for recovery of mercury, and it seems safe to predict a wet process will be developed for copper. However, there will be an appreciable time lag for further engineering, pilot plant construction and testing. In the meantime, smelters are investing heavily toward reducing emissions at existing operations. For example, during the last 6 years Phelps Dodge has contracted, completed, or programmed $42 million for air pollution. Magma Copper is spending $50 million for a new type of smelter. It is reported that all industries will average something between $4 and $10 billion a year

for the next five years to help solve pollution problems. Smelting capacity in this country has been curtailed. Some companies are compelled to ship concentrates to foreign smelters, with obvious impact on domestic employment, tax dollars, and balance of payments.

There is no doubt in the mining industry that air standards are being imposed with little regard for economic and overall social consequences. Some standards have been confirmed by the Bureau of Mines as being improper conclusions based on unsubstantial data. It should be noted that air quality analysis and assessment is a science in its infancy. There are many questions to be answered, involving not just the quantity of emissions, but the effects on ecological and other environmental increments. To help secure some answers, one western state mining association last year made a grant of more than $545,000 to establish an 'Atmospheric Analysis Laboratory' at its state university.

FUTURE MINERAL REQUIREMENTS

Making present problems more serious are predictions about the future. We are nationally concerned about population growth, but in the past 100 years our mineral consumption increased ten times faster than population. In the next 30 years or so, when population is expected to double, energy and mineral requirements are expected to triple and quadruple. We are far from being self sufficient in minerals now, sufficient only in one metal, molybdenum, and in several non-metallics, including coal. A table listing import percentages of certain mineral commodities is appended hereto. Even gold, still a necessary component of reserves in international monetary structures, is in short supply for that purpose and others. Our domestic production of gold is only half of the amount needed just for defense and space industry requirements and equals only one-fourth of our total consumption. We currently produce about $25 bil-

lion of all primary minerals and consume $32 billion a year. We are told that the 1971 international currency crisis, depreciating our dollar, was due to several factors, including a 1970 national deficit of $10.7 billion in balance of payments. We know that foreign-aid programs and defense expenditures abroad, including Vietnam, contribute greatly to the deficit in balance of payments, but here are figures indicating that $7 billion of $10.7 billion, two-thirds of the total, is derived from our deficiency in minerals. The need to discover and develop additional domestic mineral deposits is becoming more and more critical. Clearly, within our proposals to improve the environment, we need not to curtail mining production, but to expand our minerals and energy technologies, and to cultivate our mineral potential for greater production.

GENERAL ECONOMICS

The real source of any country's annual income and accumulated wealth is its productive resources, and a country's mines are among its greatest resources. It has long been acknowledged that a nation which has no mines has to try to share in the wealth of nations which do by establishing a favorable balance of trade.

Two hundred years ago, Adam Smith took issue with French economists who said that all wealth originated only with the proprietors and laborers of the land, that manufacturers and merchants added nothing because they added only a value equal to what they consumed in so doing. Smith did write that the theory was "the nearest approximation to the truth that has yet been published on the subject of political economy", and elsewhere he wrote that the most productive use for capital was in "lands, mines, and fisheries". That doctrine of the French Physiocrats is considered too limiting by present economists, even as

Smith thought, but we are inclined to forget the fundamental economic fact that the source of all wealth still originates from the earth, as basic food, fiber, or minerals. Those raw materials provide the foundation for man's subsequent ingenuity and labor, the foundation for adding additional values, the foundation for a nation's total economy. If the mining industry did not exist, we would have to use our collective efforts to try to create it. Only the production of food is more important than the production of minerals, and any farmer, without the products of the mineral industry, would have difficulty supplying even the needs of his own family.

NATIONAL WEALTH

National income has been likened to an annual stream which flows into and through the pool of national wealth, where some of it accumulates for the benefit of future generations. It is not just this year's mineral production which contributes to our present high standard of living, but all the mineral production compounded through the years of our history. This generation's homes, highways, hospitals, and schools are available today partly because of the capital generated by the mining camps of yesteryears, in the Mother Lode country, the Klondike, at the Comstock, Tombstone, Goldfield, Leadville, Cripple Creek, and a thousand others, most of them less glamorous and less productive, but contributors to today's standard of living.

KEYNES

In support, let us quote some writing of the "Messiah" of today's economists, John Maynard Keynes. He determined that the era which initiated tremendous increases in standards of living for civilized man began in the sixteenth century, with accumulation of capital, from gold and silver mined in

the New World and brought to the Old. Without dwelling on morality, it is only incidental that the gold and silver he will specifically describe was not mined by the English, who reaped the benefit, but was stolen by them from Spaniards, who stole it from Incas and Aztecs, who may well have stolen some of it from other Indians, who did the mining. Keynes wrote this in 1930:

"The value of Great Britain's foreign investments today is estimated at about 4 Billion Pounds. This yields us an income at the rate of about 6½ percent. Half of this we bring home and enjoy; the other half, namely, 3¼ percent, we leave to accumulate abroad at compound interest. Something of this sort has now been going on for about 350 years. For I trace the beginnings of British foreign investment to the treasure which Drake stole from Spain in 1580. In that year he returned to England bringing with him the prodigious spoils of the 'Golden Hind'. Queen Elizabeth was a considerable shareholder in the syndicate which had financed the expedition. Out of her share she paid off the whole of England's foreign debt, balanced her Budget, and found herself with about 40,000 Pounds in hand. This she invested in the Levant Company -- which prospered. Out of the profits of the Levant Company, the East India Company was founded; and the profits of this great enterprise were the foundation of England's subsequent foreign investment. Now it happens that 40,000 Pounds accumulating at 3¼ percent compound interest approximately corresponds to the actual volume of England's foreign investments at various dates, and would actually amount today to the total of 4 Billion Pounds which I have already quoted as being what our foreign investments now are. Thus, every Pound which Drake brought home in 1580 has now become One Hundred Thousand Pounds. Such is the power of compound interest!". Perhaps an United States economist will sometime venture an appraisal of the current value of our past mineral production. Meanwhile, we want to make a couple of points about the present.

MINING DOLLAR VS. TOURIST DOLLAR

In our states we are concerned with promoting tourism, with its obvious economic benefits. Without deprecating the tourist dollar, we might compare it with the mining dollar. When a resident of one city in a state spends a dollar in another city in that state, the total number of dollars in the state remains the same. It is good to have dollars circulate, but although the GNP may go up a dollar, no dollars have been created through the exchange. Similarly, when a resident of one state spends a dollar in another state, one state has gained and the other has lost a dollar, but the nation has no more dollars than it had. But, if a dollar's worth of gold is mined from the ground, the nation is a dollar richer, and similarly with other metals and minerals.

Anticipating that the preceding paragraph would not go unchallenged, the Council submitted it for criticism to more knowledgeable authorities. The only adverse comment we have is from the senior economist of a Federal Reserve Bank, who said, "Bringing in people to see and enjoy the beauty of nature - tourism - would be classed as productive enterprise". We have previously acknowledged that all productive labor helps build the wealth of nations, but also that such labor must have a foundation on which to build. We believe our statement about the dollars involved is valid, but we are mindful of a comment attributed to Baron Rothschild, who said, "I only know two men who really understand money", and then added, "Unfortunately, they disagree".

TAX BENEFITS TO PUBLIC

One other point is prompted by a rash statement made at a public hearing last year, to-wit; "The timber interests get the timber, the grazing interests get the grazing, the mining interests get the minerals and the general public

gets nothing". There are several obvious things which the public gets from mining, such as raw materials needed in almost everything we use, plus jobs, not only in mining but in other industries which mining makes possible, and the injection of new money, with accumulation of capital to help sustain the economy, but there is one additional great benefit to the public, which, apparently, has not been expounded before.

It is often overlooked that the public is a 50% partner in every corporation's profits, through Federal income taxes levied for public purposes. But, that's only a beginning. Add all tax increments, such as production, property, payroll, fuel, state, county and school district taxes; taxes paid by employees and stockholders; pro-rated taxes paid by supply and service companies and their employees, and the total taxes available for public purposes is much greater than the total profit, and for most mining companies is 30 to 40% of the total value of the production. But, more yet. Granting that money in circulation turns over three or four times a year, and there are estimates up to eight, a significant conclusion is obvious. Within a year after a dollar of new minerals is produced, a dollar in taxes has accrued for the benefit of the public. That is worth reiterating. Each dollar of mine production creates, within a year, a dollar for the public, just through taxes. That happens before additional increments for transportation, manufacturing, assembling, wholesaling, and retailing of final products, with innumerable taxes levied on pyramiding values all along the line. The public is the greatest beneficiary of mining operations.

OPTIMISM

Miners are, by vocation, optimistic, putting their faith and their dollars into tomorrow. This Council believes that an improved environment is both ne-

cessary and possible, but it also believes that where no substantial, immediate, or irreparable hazard or damage is involved, that improvement must come in an orderly fashion, that the rule of reason must prevail, so that in apparently solving one problem we do not create others of equal magnitude, that consideration must be given to preventing local economic disasters, and to preclude the national possibility of what one news writer has termed an "environmental recession".

THE PROSPECTOR

Despite all threats to and problems of the industry, we can probably predict that large, well established, mining companies will survive, simply because they have to, because the nation needs them. We can further predict that any unnecessary controls will cause unnecessary expenditures, with increased costs, which the public will pay, either through higher taxes, higher prices, or both. It is the small operator who is most vulnerable, the man who lacks either the money or talent to cope with innumerable problems, but we need to consider him, for we need him too, as we also need the present non-producer, who may have only his dreams and little capital to contribute immediately to the nation's future. The prospector still exists. He looks through more knowledgeable eyes than did most of his predecessors and often uses more sophisticated tools, but his dream is still part of the American Dream. The mountaineer climbs, "because it is there"; the prospector seeks because it might be there - or there - or there. To him every rock is potentially a new frontier. He still hears the voice that whispered in Kipling's poem, "The Explorer" ... "Something hidden .. Go and find it .. Go and look behind the Ranges .. Something lost behind the Ranges .. Lost and waiting for you .. Go!" ... Kipling also quoted his usual unmaterial reward, "My price was paid me ten times over by my Maker", and said of the occasional

success, "It's God's present to our nation .. I've found it and it's yours!" If our environmental fears result in banishing from our western mountains and deserts the prospector with his dream, something good and necessary will vanish from our way of life.

SAFETY

Appended hereto, for the attention of state officials and organizations especially concerned with mine health and safety, is a brief report. It urges more state control, under federal guidelines, for coal, metal and non-metallic mines, plants, and smelters, and consolidation of Federal responsibility within the Bureau of Mines. Also, there is a chart, relating for many nations their energy consumption and national income, which may be of interest.

With the exception of a specific recommendation we would like to make, requesting Conference approval of a plan to secure more abundant economic information about western mining for next year's Conference, this concludes our report.

MINE SAFETY

Federal responsibility for mine health and safety should be vested solely in the U. S. Bureau of Mines, and should include mines, plants and smelters, to avoid confusion, duplication of effort, and to provide continuity and qualified inspectors.

METAL AND NONMETALLIC MINES

Arizona and Colorado have entered into State Plan Agreements with the Department of the Interior to retain State responsibility for the enforcement of metal and nonmetallic mine health and safety standards. It is recommended that the remaining states review their administrative policies and health and safety standards with the objective of determining the advisability of qualifying for a State Plan, whereby the State will assume its right and responsibility for the enforcement of health and safety standards.

COAL MINES

The Federal Coal Mine Health and Safety Act of 1969 has pre-empted the field of Coal Mine Health and Safety to the extent that no meaningful enforcement function is left to the states. Punitive and indiscriminate Federal regulations have closed many mines, threaten bankruptcy to others, and have and will continue to raise the price of coal unnecessarily without measurably increasing coal mine safety. The cause of coal mine health and safety would be better served by amending the law to permit state enforcement under Federal Standards and guidelines, as has been done in various areas of pollution control, in metal mine safety and in the Occupational Safety and Health Act of 1970. This will require an active program by the states, preferably utilizing Federal grants under Section 503 of the Federal Coal Mine Health and Safety Act

of 1969, to include:

(a) Amendment of the Coal Mine Health and Safety Act to authorize State enforcement under Federal guidelines.

(b) Research and investigation by the states and enactment of amendments to State coal mine statutes, specifically adapted to assure maximum coal mine safety, according to varying regional differences, and the elimination of requirements that are unnecessary or that are not conducive to coal mine safety.

(c) A cooperative study among the Rocky Mountain States of amendments to Workmen's Compensation Laws to meet "Black Lung" requirements under Section 421 of the Federal Coal Mine Health and Safety Act.

(d) A cooperative program among the states for education and dissemination of information concerning coal mine health and safety.

MINERAL IMPORTS TO THE U.S.*

Mineral Commodity	Percent Imported
Metals:	
Chromite	100
Manganese	99
Aluminum	87
Nickel	79
Platinum group metals	76
Tin	71
Zinc	58
Mercury	52
Cobalt	43
Antimony	33
Titanium	32
Iron ore	31
Copper	25
Tungsten	17
Lead	16
Uranium concentrate	15
Cadmium	8
Magnesium	3
Molybdenum	0
Nonmetals:	
Fluorspar	86
Asbestos	85
Potash	43
Barite	36
Gypsum	23
Sulphur	16
Salt	7
Phosphate	1
Mica	1

* From "Review of the Mineral Industries", U.S. Bureau of Mines Minerals Yearbook for 1969.

RECOMMENDATION

Mr. Chairman, Honorable Governors, Honored Guests:

The Western Governors' Mining Advisory Council has tried over the years to fulfill the purposes for which the Western Governors Conference created it. We have, year to year, counciled with individual governors, met together with delegates from the various states, and, finally, each year, have made a report in one form or another to the assembled governors.

This year we have recognized that for all this time we have been conducting our activities on a two-part assumption; that the governors, separately and collectively, recognized the value of the mining industry of the western states to each individual state, to the region, and to the nation; and, second, that this importance was recognized, at least broadly, by the people of each state and by the nation as a whole.

Today, in the volatile context of current concern for environmental controls, we recognize that quite the opposite may be true. While we in the mining industry do not question the essentiality of the industry, we have suddenly become aware of the fact that nobody, no individual, no agency, ever has prepared a comprehensive analysis of the several roles of western mining.

This year our report endeavors to emphasize some important economic aspects of western mining. We also considered the possibility of submitting a detailed analysis of its dollar impact on the various states, on the region and on the nation, but have been forced to recognize that such a labor is beyond the time capacity of this body, and perhaps beyond our collective expertise.

Therefore, assembled in Salt Lake City last month, we unanimously agreed

that we would recommend that this Western Governors' Conference direct its Mining Advisory Council to transmit to the Secretary of the Interior the request of the Western Governors that:

1. The U. S. Bureau of Mines Office of Economic Analysis undertake at the earliest possible time a study which will determine objectively:

   (a) The current products of the mining industry of these 13 states, their volumes, their values;

   (b) The number of people directly employed by those mines, the number of their dependents, and the total payroll divided among them;

   (c) The number of people supported entirely or in major part by enterprises serving the mining industry and mining communities;

   (d) The taxes, local, county, state, and federal, generated by the dollars flowing from western mining industry, through at least the first four turnovers of those dollars.

   (e) The disposition of the newly created wealth from the mines into payroll, in-state purchases, out-of-state purchases, dividends, exploration, development, and environmental control.

   (f) The total acreage used by the mining industry of each state, its proportion of each, the per-acre yield by product class, the proportion of the nation's total consumption of products produced by western acreage,

and the percentage of the total land of the nation occupied by western mining;

(g) As accurate an estimate as possible of the total number of individual Americans who, as stockholders, are the owners of western mining enterprises.

2. To request the U. S. Bureau of Mines also to delineate the final destinations and uses of the products of western mining and to apply as many accurate economic indices as possible to evaluate the national impact of western mining in terms of jobs elsewhere dependent upon its products, payrolls accruing from such jobs, the number of people effected and the consequences to the nation were it denied the products of western mining;

3. To request the U. S. Bureau of Mines to project, with the cooperation of whatever Federal agencies are appropriate, the effects on the United States' balance of payments that would accrue from the slow-down or cessation of the production of metals and minerals from western mines;

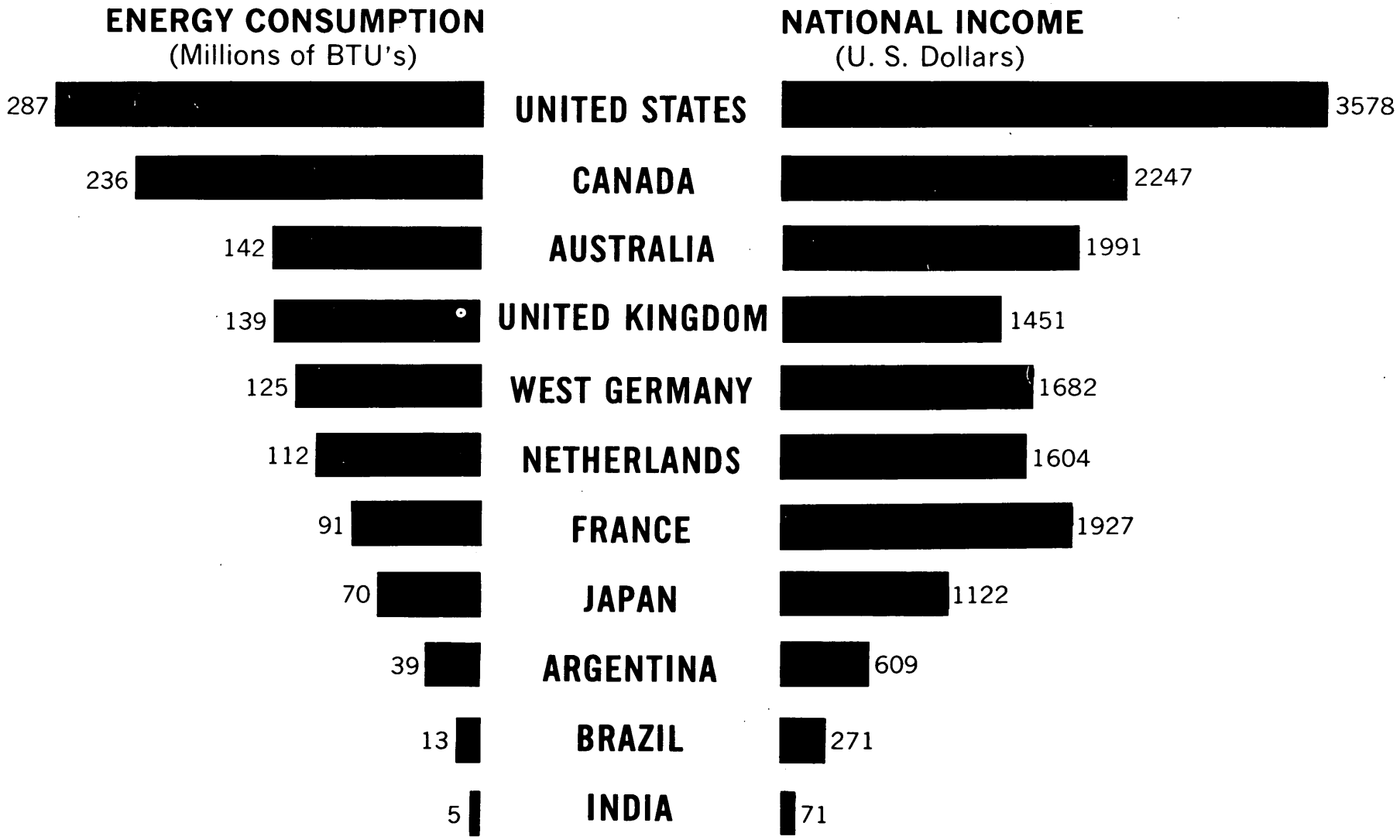
4. To act as the coordinating agency for this study and to use the abilities of individual members of WGMAC to elicit the cooperation of state and regional financial institutions, state universities and other appropriate organizations to their fullest.

5. To use every means available to assure that the study be completed in time for the individual governors to study it prior to the 1972 Western Governors' Conference, so as to constitute a contextual base for our next year's report to you.

We suggest that the request to the Secretary of the Interior be based upon the instructions to the Secretary contained in P.L. 91361, The National Mining and Minerals Policy Act of 1970. We feel the objectivity of the study would best be assured and accepted were the study made by the Department of the Interior, rather than by some vested interest or combination of interests or even by an individual state.

PER CAPITA NATIONAL INCOME COMPARED WITH PER CAPITA ENERGY CONSUMPTION

(1968)



Source: United Nations Statistical Yearbook

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Anderson, Tury F.
Kelly, Thomas E.
Renshaw, Dan
Rudd, Joseph
Williams, James A.

ARIZONA

Bowman, Allen B.
Chilton, T. G.
Gemmill, Mark
Hansen, Clinton J.
Jett, John
Peplow, Edward H. Jr.
Verity, Victor H.

CALIFORNIA

Bradley, Philip R.
Campbell, Dr. Ian
Harvard, J. F.
Huelsdonk, Lewis L.
Just, Dr. Evan
Livermore, N. B. Jr.
Lonergan, John B.
Marlett, D. L.
Nilsson, George W.
Reining, Don
Stearns, James G.
Wilmoth, Floyd
Wilson, L. K.

COLORADO

Cole, David R.
Congdon, Thomas E.
Emerson, John F.
McKinley, Frank M.
Palmer, Robert S.
Williams, Robert R.

HAWAII

Kido, Sunao

IDAHO

Bruning, R. J.
Chase, Marvin C.
Crouse, Russell
Day, Henry L.
Featherstone, Wray
Grismer, William J.
Haffner, Robert
Magnuson, H. F.
Murphy, W. J.
Pothier, O. Edward
Reid, Rolland R.
Teske, A. J.
Visness, Norman
Voltolini, Gus

MONTANA

Antonioli, Peter
Deutschman, Paul
Goddard, Charles C.
Havdahl, B. G.
Lane, Stanley M.
Lively, Leonard

NEVADA

Burch, H. R.
Curtis, Henry S.
Gates, Robert W.
Gemmill, Paul
Harmon, John R.
Hardy, Roy A.
Hilander, A. C.
Kellogg, W. George
MacDonald, John C.
Shiell, A. E.
Steinheimer, Milton
Uhalde, John H.
Winn, W. H.

NEW MEXICO

Darmitzel, William F.
Kottlowski, Frank E.
Miller, Earl

OREGON

Banta, Harold
Brandenthaler, Anthony
Bristol, Fayette, I.
Corcoran, Raymond E.
DeWeese, R. W.
Eymann, Richard
Haight, Clinton P., Jr.
Heizenrader, Arthur G.
Maney, E. J.
Manley, Bruce J.
McColloch, Frank C.

SOUTH DAKOTA

Arthur, Kenneth
Kellar, Kenneth C.
McGregor, Duncan Jr.

UTAH

Cox, R. LaVaun
Harmston, Gordon E.
Hatch, Glen M.
Hearn, I. K.
Hewitt, William P.
O'Keefe, J. P.
Pruitt, Robert G., Jr.
Rattle, Paul S.
Romney, Miles P.
Wilson, Clark

WASHINGTON

Kinney, L. M.
Patterson, A. R.

WYOMING

Anderson, Don C.
Beamer, R. W.
Cimino, S. M.
Harding, A. C.
Iverson, Eugene C.
MacDonald, G. D.
Martin, Robert H.
Maurer, Robert A.
Paustian, Chris J.
Sorensen, G. E.

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

March 10, 1975

Memorandum

To: Branch of Financial Reports
Geological Survey

From: Chief, Office of Minerals Exploration

Subject: Recording of Realized Losses under OME and DMEA contracts

Write-off of the following realized losses under these contracts is hereby authorized:

Contract	Docket	Operator	Write-off
OME			
2308	6879	Mystic Mining Company	$20,250.00
2196	6354	Clyde D. Painter	2,800.00
2297	6840	Blue Sky Mining Company	19,982.62
DMEA			
Idm-E329	2499	The Montana Coal and Iron Company	81,375.04

Harold Kirkemo

Harold Kirkemo

January 8, 1975

Mr. and Mrs. N. O. White
5313 W. Glenn Drive
Glendale, Arizona 85301

Re: OME-5879 (Gold)
Mystic Mining Co.
Question Mining Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. and Mrs. White:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Lien and Subordination Agreements signed by you on November 6, 1972, for this contract.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region III
270

Identical letter to Richard White

HKirkemo/gpw

January 8, 1975

Albert C. Harding and
Leith Pike, d/b/a
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Re: OME 6379 (Gold)
Mystic Mining Co.
Question Mining Claims
Maricopa County, Arizona
Contract 2308

Gentlemen:

We regret that we have not advised you previously of the final closing of your exploration contract with the Government.

As the work performed did not result in a discovery, a certification of discovery was not issued. Accordingly, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We have closed our books and records on this contract, but your attention is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME program.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Copies to: N. O. White
Florette White
Richard White

cc: DRF
MR Rdg./OME Rdg.
OME Files/Mr. Kirkemo
Region III/270

HKirkemo/gpw

February 12, 1974

Memorandum

To: Assistant Director, Audit Operations
Contract and Grant Audit
Office of Survey and Review, Room 7349, Interior Building

From: Chief, Office of Minerals Exploration
U.S. Geological Survey, Mail Stop 920

Subject: Reports of Cost Review

Please prepare a Report of Cost Review on each of the following OME contracts:

Docket No.	Operator	Contract No.
OME-6860	American Primary Resources, Inc.	2304
OME-6879	Mystic Mining Company	2308

Harold Kirkemo

Harold Kirkemo

Enclosures

cc:
DRF
MR Rdg.
OME Docket (2)
OME Rdg.
R. II
R. III
Mr. Kirkemo

HKirkemo/gpw

3/29/74

Thank you for the opportunity to review this draft of Report of Review on Contract No. 2308.

Please note my comments on page 1 and Exhibit I.

Harold Kikkemo

Please File

Mr. American Prairie
USA
June 6913

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF AUDIT AND INVESTIGATION

Report of Review Contract No. 2308
Docket No. OME 6879 (Gold)
Mystic Mining Company
Sun City, Arizona

Washington, D.C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
OFFICE OF AUDIT AND INVESTIGATION
Audit Operations, Region I
801 19th Street, N.W., Room 1115
Washington, D.C. 20240

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I
Office of Audit and Investigation

Subject: Report of Review - Contract No. 2308
Docket No. OME 6879 (Gold)
Mystic Mining Company
Sun City, Arizona

As requested by the Chief, Office of Minerals Exploration, we made a cost review of Contract 2308. The results of our review are shown in the attached report.

Attachment

Cost Review of Contract No. 2308
Docket No. OME 6879 (Gold)
Mystic Mining Company
Sun City, Arizona

We reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to mineral exploration contract No. 2308 with the Mystic Mining Company (Operator) made under Public Law 85-701 and examined the related disbursement records of the Branch of Budget and Finance, Administration Division, Geological Survey. The review was completed during March 1974, at Washington, D.C.

The contract was awarded December 5, 1972, for $27,000, the maximum allowable cost of the contract, with OME participating on a 75-percent basis, or not in excess of $20,250. Work under the contract was to begin January 15, 1973, and was to be completed within 5 months from the date of the contract or by May 5, 1973. The description of the work and items in the estimated cost categories were amended and revised April 27, 1973, with no increase in the total cost estimate.

The Operator was to explore, by drilling, for gold-bearing ores in a mineralized fault zone cutting Precambrian schists at the south end of the Hieroglyphic Mountains near Sun City, Maricopa County, Arizona. A representative sample of the cuttings (for each five-foot interval of hole) obtained from hammer-drilling ~~were~~ was to be tested by geochemical methods for gold, silver, copper, lead and zinc content. Splits of diamond drill core were to be similarly tested. Repayment of disbursed Federal funds plus simple interest at 8½ percent was to be made on the basis of established royalties of all minerals and metals produced from the land during the exploration operations and

for a period of 10 years from the date of the contract should a certification of possible production be issued by OME.

The Operator submitted three vouchers showing costs incurred of $35,157 of which OME accepted $27,000 and reimbursed the Operator $20,250 for OME participation. The units of work authorized and approved under Contract 2308 are summarized on Exhibit I. Except for a $23 overcharge, for which no adjustment to accepted costs is recommended, we believe that the claimed and accepted costs incurred were proper under the terms of the act and the provisions of the contract.

Regional Director

EXHIBIT I

Cost Review of Contract No. 2308
Docket No. OME 6879 (Gold)
Mystic Mining Company
Sun City, Arizona
Summary of Contract Terms and Costs

Actual Costs	Costs Accepted by OME and Approved By Audit
Category (1) Independent Contracts	
Drilling	
Mobilization and demobilization	$200
Hammer drilling	5,580
Core drilling NXWL (NQ)	16,189
Setting and pulling casing	245
Category (7) Miscellaneous	
Preparing samples for analysis	178
Geochemical analysis	845
Recheck of sample pulps	42
Sample sacks	171*
Fixed Unit Costs	
1 Supervisor's costs	2,000
1 Sampler	1,000
Payroll taxes 15% of $3,000	450
Office expense	100
Total Costs	27,000

1) *Includes duplicate a billing on Invoice No. 02939, and minor errors on Invoice No. 02423 totaling $23 for which no adjustment to accepted costs is recommended.

1) I am unable to verify this comment without access to the invoices mentioned. My records indicate purchase of 974 sample sacks and allowed costs totalling $171.

Harold Kisbarna 3/25/74

March 1974

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

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November 28, 1973

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Final Field Team Report

Transmitted herewith is a final OME field report on the subject contract, prepared by J. W. Hasler.

The Operator submitted an acceptable final Geologic and Engineering Report that was received in this office November 21, 1973.

The results of the exploration project were disappointing in that there was no significant discovery of ore grade material found, consequently no certification of discovery will be recommended.

The contract was a Long Form type involving contracting. Actual Costs, are involved, therefore it is recommended that a report of review or audit be made.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By J. William Hasler

November 27, 1973

1. OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Operator: Albert C. Harding and Leith Pike d/b/a/ Mystic Mining Company, 10726 Hatcher Road, Sun City, Arizona 85351

Property: The land, including all rights thereto, referred to in Article 2 of the Contract consists of eleven (11) unpatented lode mining claims in sections 11 and 12, T. 5 N., R. 1 W., Gila and Salt River Meridian, Maricopa County, Arizona. These claims are recorded in the official records of Maricopa County at Phoenix, Arizona, as follows:

Claim Name	County Docket No.	Page
Question No. 1	9189	256
Question No. 2	9189	257
Question No. 3	9213	671
Question No. 4	9213	672
Question No. 5	9213	673
Question No. 6	9234	682
Question No. 7	9234	683
Question No. 8	9234	684
Question No. 9	9234	685
Question No. 10	9121	866
Gun Bolt	9264	525

Ownership: The Operator is in possession of the Question Nos. 1 - 10 claims by right of location, and of the Gun Bolt claim by virtue of a Mining Option and Lease Agreement between N. O. White, Florette White and Richard White, owners, and the Operator dated February 18, 1972.

A Lien and Subordination Agreements executed by N. O. White, Florette White, and Richard White dated November 6, 1972 was attached and made part hereof.

2. Purpose of Project: The purpose of the contract was to explore by drilling for gold-bearing ores in a mineralized fault zone cutting Precambrian schists at the south end of the Hieroglyphic Mountains near Sun City, Maricopa County, Arizona. The principal objectives were secondarily enriched deposits associated with present or former water tables.

3. Contract: Date - December 5, 1972, for a period of 5 months.
Original contract amount - $27,000.00.
Government participation 75 percent - $20,250.00.

Amendments: No. 1 - dated April 27, 1973 transferred unused items to provide for additional footage for hammer drilling and core drilling in four holes to further explore the gold bearing structure at depth. Amendment No. 1 did not change the total estimated cost of the project nor was the completion date of the work in the contract changed.

4. Project Work: Started December 5, 1972. Work completed April 6, 1973. The Operator's final geologic and engineering report was received in this office on November 21, 1973, and is considered acceptable.

Cost Items
Actual Costs
Category (1)
Independent Contracts

	Authorized			Completed	
	Units	Rate	Amount	Units	Amount
Drilling					
Mobilization and demobilization	1	$200.00	$200.00	1	$200.00
Site preparation	1	$200.00	$200.00	-----	-----
Surface casing pipe	50 ft.	$7.40/ft.	$370.00	-----	-----
Hammer drilling	1200 ft.	$5.00/ft.	$6,000.00	1,116'[1/]	$5,580.00
Core drilling NXWL(NQ)	1000 ft.	$9.75/ft.	$9,750.00	1,660'[1/]	$16,188.62
Setting and pulling casing	45 hrs.	$35.00/hr.	$1,575.00	10 hrs.	$245.00
Casing left in hole	300 ft.	$1.24/ft.	$372.00	-----	-----
Cement, drill mud, additives at driller's invoices prices	75 sacks		$500.00	-----	-----
Total, Category I			$18,967.00		$22,213.62

Cost Items (Continued)

Actual Costs

Category (7) Miscellaneous	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Preparing samples for analysis	315	$1.00	$315.00	178	$178.00
Geochemical analyses for Au, Ag, Cu, Pb and Zn	315	$4.75/sample	$1,496.25	178	$845.50
Recheck of sample pulps Au 1 ppm Ag 35 ppm Pb 3,000 ppm Zn 3,000 ppm	750	$3.00 ea	$2,250.00	14	$42.00
Fire assays for Au and Ag	15 samples	$4.40 ea.	$66.00	-----	-----
Cardboard boxes	100	$1.15 ea	$115.00	-----	-----
Sample sacks	850	.28 ea	$240.75	974	$170.88
Total Category (7)			$4,483.00		$1,236.38
Total Actual Costs			$23,450.00		$23,450.00

Fixed Unit Costs

1 Supervisor	2 mos.	$1,000.00	$2,000.00	2 mos.	$2,000.00
1 Sampler	2 mos.	$500.00	$1,000.00	2 mos.	$1,000.00
Payroll taxes at 15% of $3,000.00			$450.00		$450.00
Office expense	2 mos	$50.00	$100.00	2 mos.	$100.00
Total fixed unit costs			$3,550.00		$3,550.00
Total estimated costs of project			$27,000.00		$27,000.00
Government participation at 75%			$20,250.00		$20,250.00

1/ Amendment No. 1

Effectiveness of the Work - The work completed under the contract was adequately and efficiently done. The Operator was at a distinct disadvantage in that it was not possible for the driller to drill any angle holes, as the driller's truck-mounted rig was not adaptable to drilling angle holes. The mineralized zone can only now be effectively explored by completing a number of angle holes, that will transect the entire mineralized zone, from hangingwall to footwall.

Efficiency of Operation: - The project was effectively supervised and operated.

5. Reports:

Operator's Final Report - An acceptable Final Geologic and Engineering Report was received in this office November 21, 1973.

Cost Review - The contract was a Long Form exploration contract involving Actual Costs under Independent Contracts, consequently a Cost Review will be requested.

Royalty Review - There has been no production of metals from the mine since the exploration work was completed, consequently there will be no request for a Royalty Review.

6. Project Results:

Discovery: - The project work did not result in the discovery of presently minable gold ore, consequently it is recommended that there be no certification of discovery made. The Operator is presently performing additional exploration drilling and should there be favorable results he may ask for additional funds, however, at this point in time, chances for the discovery of significant amounts of gold is not promising.

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By J. William Hasler

November 27, 1973

1. OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Operator: Albert C. Harding and Leith Pike d/b/a/ Mystic Mining Company, 10726 Hatcher Road, Sun City, Arizona 85351

Property: The land, including all rights thereto, referred to in Article 2 of the Contract consists of eleven (11) unpatented lode mining claims in sections 11 and 12, T. 5 N., R. 1 W., Gila and Salt River Meridian, Maricopa County, Arizona. These claims are recorded in the official records of Maricopa County at Phoenix, Arizona, as follows:

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Actual Costs
Category (1)
Independent Contracts

	Authorized			Completed	
	Units	Rate	Amount	Units	Amount
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Site preparation	1	$200.00	$200.00	-----	-----
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Cost Items (Continued)

Actual Costs

Category (7) Miscellaneous	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
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6. Project Results:

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United States Department of the Interior
GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

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November 28, 1973

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Transmitted herewith is the Operator's Final Geologic and Engineering Report, in two parts, pertaining to the subject contract. I have reviewed the report and find it adequate and acceptable. Part one of the report is a summary of the results obtained to date, and part two includes copies of drill logs and laboratory reports.

Results of the drilling performed under the contract were disappointing, even though some values were found, they are normally of low grade and the occurrence of gold is erratic. There was not enough gold, of commercial grade, discovered as a result of the exploration work, consequently the declaration of a certification of discovery is not now warranted and it is recommended that the contract be terminated. The Operator is presently doing additional drilling on his own account to further explore the area. Should any of this work prove favorable he will so inform us.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

November 11, 1973

Mystic Mining Company
Docket No. OME-6879
Contract 14-08-0901-2308

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Building 53 - Room 28
Federal Center
Denver, Colorado 80225

JWH
11/21/73

Dear Bill:

As you requested, enclosed herewith are three copies each of our Final Report, summarizing work done and the current status of the property, including both contract and non-contract exploration, and of the supplemental Logs and Laboratory Reports.

As I told you, we have delayed submission of the Final Report to allow you more time for your decision regarding certification. If we had submitted the Final Report when contract work terminated last May, the six month period would be expiring right now. There was no work done on the property between May and November, but with additional work commencing now it is probable that additional information about the property will become available to assist you in making a definitive decision regarding certification. In essence, we thought it might be to your benefit to have additional time for making such decision.

We want to convey our appreciation to you and Mr. Kirkemo, for your assistance, cooperation and courtesy.

Yours very truly,

MYSTIC MINING CO.

A. C. Harding

OPERATOR'S FINAL REPORT

JWH
11/21/73

MYSTIC MINING COMPANY

EXPLORATION PROJECT

IN

MARICOPA COUNTY

ARIZONA

REPORT - NOV. 11, 1973

TO OFFICE OF MINERALS EXPLORATION, U.S.G.S.
CONTRACT NO. 14-08-0901-2308
DOCKET NO. OME-6879

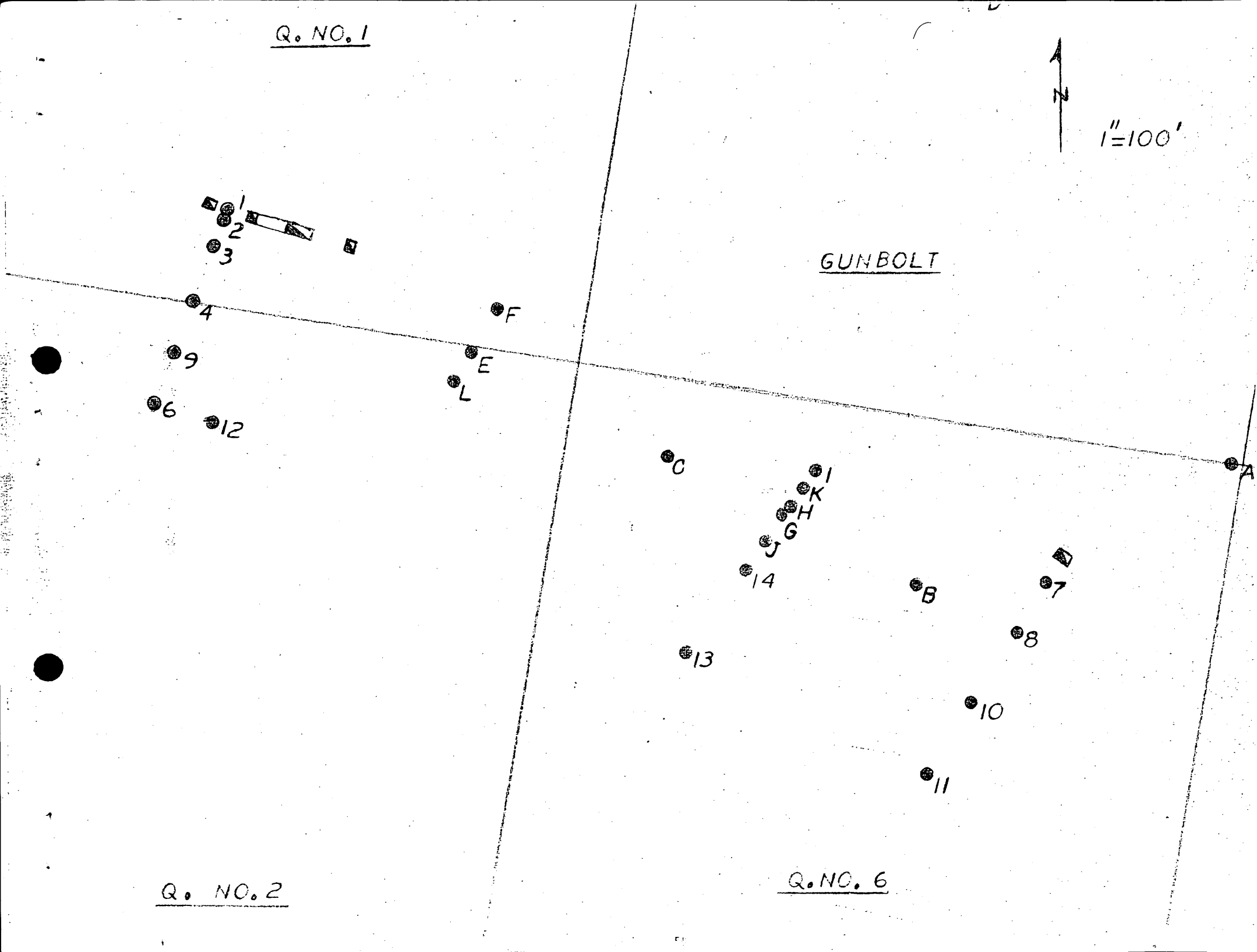
SUPPLEMENT TO REPORT PREPARED JUNE, 1972

AND

SUMMARY OF RESULTS TO DATE

PREPARED BY:

A. C. Harding
10726 Hatcher Rd.
Sun City, Ariz. 86351
&
71 Magnolia Ave.
Casper, Wyo. 82601


Q. NO. 1
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GUNBOLT
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Q. NO. 2
Q. NO. 6

BACKGROUND

In June, 1972, A. C. Harding and Leith Pike, of Sun City, Arizona, doing business as Mystic Mining Co., submitted a report and an application for financial assistance to the Office of Minerals Exploration. The applicants, during the previous winter had drilled ten holes on a group of mining claims north of Sun City, claims located by Harding and Pike in an area which had previously been subjected to fairly extensive superficial exploration, as indicated by numerous shallow pits and shafts.

The drilling at that time had indicated interesting values, mostly in Lead and Zinc, some holes in Gold, with lesser values in Silver and Copper. Most interesting was the fact that all values had been found in zones of very heavy oxidation. No sulfide minerals had been noted, and if any carbonates or sulphates were present, they were obscured by iron oxidation products. This justified an effort toward deeper exploration, looking for a primary mineral zone, and a zone of secondary enrichment, contemplating that practically all of the Silver and Copper could have been leached out of the oxidized zone, and perhaps even some of the Gold, as Manganese Oxide was prevalent in the oxidized zone.

The Office of Minerals Exploration agreed to participate in the cost of four deeper holes, by providing 75% of the cost to a maximum of $20,250, said amount, if recoverable, to be recovered with interest from a 5% royalty on any production.

DRILLING WITH OME PARTICIPATION

Holes Nos. 11, 12, 13, and 14 were drilled between December 5, 1972, and May 17, 1973, all with disappointing results, with depths as follows:

Hole No. 11	551 feet
Hole No. 12	429 feet
Hole No. 13	678 feet
Hole No. 14	1,535 feet
	3,193 feet

The holes were drilled as southward, downdip, extensions of established drill hole lines, No. 11 on the East drill hole line, No. 12 on the West drill hole line, and Nos. 13 and 14 on a new intermediate line, 225 feet west of the East drill hole line. It had been hoped that these holes would prove the existence of down-dip extension of mineralization found previously closer to the surface. However, only several thin areas of slight mineralization were found, and nothing of value. Hole No. 14 did find the only trace of sulfide mineralization encountered anyplace to date, some barren pyrite beginning at 927, principally in fractures in gray schist. Traces of oxidation were seen to the deepest levels drilled.

Although the results from these four holes were disappointing, the results from other holes drilled encourage further exploration efforts.

OTHER HOLES

GUN BOLT MINING CLAIM: Somewhat incidental to the other drilling were two exploratory holes, A and D, drilled in a rhyolite outcrop, north of the area of principal interest. Results were negative. No values were found in either hole, both being in unmineralized rhyolite all the way. Hole A was drilled at the southeast corner of the Gun Bolt to 255 feet and Hole D was drilled adjacent to the Discovery Shaft on the Gun Bolt to 210 feet. The latter was drilled partly in consideration for obtaining a lower monthly rental on the Gun Bolt lease. It is considered advisable to retain the Gun Bolt lease until more definitive information is obtained about adjoining claims held by Mystic Mining Company.

QUESTION NO. 6 MINING CLAIM: From the East drill hole line there are no rock exposures for some 600 feet toward the west, the entire area being covered with alluvium resting on about 12 feet of caliche. To establish continuity between the East and West drill hole lines, some 800 feet apart, operator drilled Hole B 100 feet west of the East line, and Hole C 350 feet west of the East line. Each of the two holes showed interesting values.

Hole B was drilled to 225 feet, with fair values in heavy oxidation in the bottom 75 feet. Using current metal prices, the 10 feet between 200 and 210 feet averaged $10.99 in Gold and $8.28 in the other four metals, mostly in Lead and Zinc, a total of $19.27 a ton.

Hole C was drilled to water level at 265 feet, the last 65 feet all in heavy oxidized material with fair values, averaging $7.36, mostly Lead and Zinc. The bottom 10 feet, between 255 and 265 feet averaged $11.65, with only .70 in Gold.

After OME holes 11 and 12 had been drilled with negative results it was determined to establish a new drill hole line, halfway between Holes B and C, 125 feet from each of said holes. As previously noted, Holes 13 and 14 on the new line were failures. However, on that line, Holes drilled at lesser depths, Holes G, H, I, J, and K, were quite interesting. They were, of course, drilled in that alphabetical sequence, but the physical location in a straight line from north to south is as follows:

Hole I	165 feet
Hole K	195 feet - 20 feet south of I
Hole H	225 feet - 20 feet south of K
Hole G	245 feet - 10 feeet south of H
Hole J	345 feet - 30 feet south of G

(Hole 14 is 30 feet south of J)

Hole I had 45 feet with some mineralization, averaging $4.71, including $1.89 in Gold, between 105 and 150 feet. The 10 feet between 120 and 130 feet averaged $10.48, including $4.41 in Gold.

Hole K had 10 feet between 160 and 170 feet which averaged $9.57, including only .73 in Gold.

Hole H had 85 feet between 125 and 210 feet which averaged $11.97, with only .46 in gold. The 10 feet between 190 and 200 feet averaged $29.88 with no Gold.

Hole G had 110 feet between 130 and 240 feet which averaged $11.75 with only .48 in Gold. The 25 feet between 210 and 235 feet averaged $23.46 with .41 Gold, and 5 feet between 230 and 235 feet tested $47.41 with .29 Gold.

Hole J had 10 feet between 255 and 265 feet which averaged $14.73 with .29 Gold.

DIP

In contrast, Hole 14's best showing was 10 feet between 324 and 334 feet with $3.49, including $1.59 Gold. The possibility must be considered that this is the down-dip extension of the values found in the other holes, and a 60 degree apparent dip line drawn through a cross section of these six holes corresponds fairly well with the best values in each hole. This was shown in detail in a narrative report sent to OME on May 7, 1973. A similar dip line can also be drawn for both the East and West line at approximately the same angle.

In the monthly OME report dated January 20, 1973, it was stated that previous opinions about the dip, i.e. sixty degrees or so, may have been erroneous. In the OME report of May 7, 1973, operator said, "It seems somewhat ridiculous after all the drilling we have done, not to be certain about the dip" and noted that the apparent dip (of 60 degrees) left much unexplained and suggested that there may be "8 or 9 parallel and potential mineralized fractures or fissures". It was suggested that Holes G and H might be one vein and that the other holes have each encountered a different steeply dipping fracture. Operator still believes this to be a possibility. Similarly holes drilled on the East and West lines may have each penetrated a different vein, rather than a common one.

A partial confirmation of multiple veins is evidenced at a drill hole line 200 feet west of Hole C and 262 feet east of the West drill hole line where operator drilled Holes E, F, and L.

Hole E, the middle hole of the three, showed shallow mineralization, the best being 15 feet between 80 and 95 feet, averaging $5.50 with .38 Gold.

Hole F, 46 feet north of E, also had similar mineralization, 10 feet from 65 to 75 feet averaging $6.59, but with $3.30 Gold. At 240 to 245 feet there was another 5 feet which tested $5.89 with .88 Gold.

The values in E and the upper zone of values in F suggested a very flat dip, if they were in the same vein. To disprove that possibility, Hole L, 30 feet south of E, encountered no values to its 180 feet of depth. It seems apparent that there are at least two mineralized fractures found in F which did not show up in E, and that the one found in E is dipping too steeply to be found in L, therefore dipping 80 degrees or more.

REEVALUATION OF WEST LINE

It seems pertinent to reevaluate previous results in terms of current metal prices (Gold @ $100; Ag @ $2.80; Cu @ .60; Pb @ .16; Zn @ .20):

Hole No. 1, 23 feet between 7 and 30 feet averaged $11.50, including .71 Gold and $4.94 Silver, the only significant Silver found to date.

Hole No. 2, was not a very good hole although there were many thin oxidized streaks. The best Gold was 9 feet between 67 and 76 feet, $3.60, but only .23 in the other four metals. The best Zn in this hole was in the 30 feet from 3 to 33 feet. About two-thirds of the total vale of $5.64 was in Zn. Core recovery was poor in that thirty feet. (For the first 10 holes, core was BX size, too small for adequate recovery in friable oxidized rock.)

Hole No. 3, five samples encompassing 20½ feet between 67½ and 88 feet averaged $19.43 in Gold and only .48 in the other four metals. However, a few inches of core at 67 feet, which had a heavy concentration of manganese oxide, was reported to be 5% Lead and 6% Zinc.

Hole No. 4, 40 feet between 136 and 176 feet had $4.71 in Gold. Between 140 and 148 feet, 8 feet had $11.10 in Gold but only .52 in the other metals. Again there was poor recovery of cores, some pulls only recovering about 25%.

Hole No. 9, excluding 5 feet between 310 and 315 because of inordinately high values, the other 86 feet between 230 and 321 averaged $4.80 in Gold. The 5 feet excluded assayed about 1½ ounces of Gold and would make 91 feet average $10.03. A 10 foot section and another 5 foot section assayed over $10 in Gold. The other four metals only approximated 30 to 40 cents total.

REEVALUATION OF East Line

Hole No. 7, 5 feet between 130 and 135 feet had $5.80 including $4.80 in Gold; 15 feet between 140 and 155 feet had $4.10 including $2.20 Gold; 5 feet between 185 and 190 feet had $14.43 including $9.30 Gold.

Hole No. 8, 30 feet between 175 and 205 feet had $3.80, including $1.30 Gold.

Hole No. 10, 5 feet between 30 and 35 feet had $5.80 including $3.00 Gold; 30 feet between 280 and 310 feet had $3.33 including $1.10 Gold; 8 feet between 352 and 360 feet apparently had about $9.00, mostly Lead and Zinc, but recovery was poor.

ORE

Operators do not consider that any "ore" has been proven to date because of the heavily oxidized nature of the mineralized areas. There is a possibility, providing that a sufficient quantity of good sulfide minerals are eventually found, that some of the oxidized minerals could be recovered in the general operation, but it will require blocking out minerals in forms other than those found to date to make an operation feasible.

GENERAL

In an area approximating 800 feet along the strike and 200 feet wide 23 holes have been drilled to date, totalling 7,792 of vertical drilling.

3/1/72 to 5/22/72	9 Holes totalling	2,197 feet
12/4/72 to 5/17/73	14 Holes totalling	5,595 feet

(Not including 2 Holes on the Gun Bolt totalling 465 feet.)

Fourteen of the 23 holes were to depths less than 300 feet, with water level being found from 260 to 300 feet. Five holes bottomed between 300and 400 feet.

The other 4 holes were progressively deeper (No. 12 was completed before No. 11). Only in Hole No. 14 was any sulfide mineral found, the small amount of pyrite previously mentioned. Every sample of any value consisted of heavily oxidized red to brown friable rock. Often, but not always, black Manganise oxide was an indicator of good values.

It has been noted that significant increases in Lead and Zinc values are usually accompanied by nominal increases in the Copper content. Differences in Gold values are noted in different areas (or veins). On the West line, unlike other areas, there is relatively little Lead or Zinc. On that line, with the exception of the 30 feet drilled in Hole No. 1 and the top of Hole No. 2, 3 to 33 feet, there is almost no Lead and Zinc except that noted in a few sludge samples and a small piece of core in Hole No. 3 heavily penetrated with Manganese. The values in Holes 3, 4, and 9 are almost entirely in Gold, the Gold values exceeding the combined values for the other 4 metals by a ratio of 20 or 40 to one. On the East line in Hole No. 7, Lead and Zinc were higher but values for the four metals exceeded by that of Gold. Almost every place else Gold was but a small fraction of the total values, most of which consisted of Lead and Zinc.

ZINC SALTING

It should be noted that the accuracy of Zinc values tested prior to February 1, 1973 is questionable. On that date laboratory analysis was made for two types of grease being used by the drilling contractor. A sample of Chevron's "Multi Motor Grease" used in a grease gun to lubricate the core barrel swivel contained no Lead or Zinc. However, a sample of Texaco's "Threadtex", applied to rod threads with a brush had 0.07% Lead but 35% Zinc. After that date rod threads were lubricated with a mixture of the Multi Motive Grease and diesel oil. Subsequent holes, with the opportunity for inadvertent salting reduced, included 14, F, G, H, I, J, K, and L.

FUTURE EXPLORATION

Operator had hoped to resume drilling in the winter months of 1973-74 by somewhat cross-cutting the mineralized areas with 60 degree angle holes, to better ascertain the number and relative positions of mineralized fractures or veins. However, suitable equipment is not available to him at the time this report is written (November 11, 1973).

Within the next week he expects to resume drilling one or more vertical holes, close to Holes G and H, seeking further information about extension at depth.

GEOLOGICAL DATA

Within the past week a granitic exposure was noted for the first time about one-quarter mile to the northwest from the West drill hole line, a relatively small exposure along the north base of the Twin Buttes. The closest similar exposure previously noted is about three miles to the southwest.

11/21/73

MYSTIC MINING COMPANY

COPIES OF

LOGS

and

LABORATORY REPORTS

HOLES - G, H, I, J, K, L, and part of 14

OME Docket No. - OME-6879
Contract No. 14-08-0901-2308

Note: In each sample number, the first number or letter identifies the exploration hole.

The other number or numbers, the interval below the surface.

Core-drill samples have two numbers, indicating top and bottom depth of the sample.

Hammer-drill samples have one number, indicating bottom depth of a 5-foot sample, when multiplied by 5.

LOG

4-9-73 ~~to~~ 4-10-73

Hole G Ft.	Field Notes			# Values Oct. 1973
0-9	Caliche			
9-12	Schist - set surface casing to 12'			
5-10	Sample G2			110
G-3	10'-15' - schist			
G-4	Gray			
G-5	"			
G-6	Little Red @ 30'			
G-7	(30'-35') Little Red, then gray			102
G-8	Gray			
G-9	Red @ 45' - thin			82
G-10	Gray schist			
G-11	"			
G-12	"			
G-13	Last 1' soft - little gouge			158
G-14	Gray schist			
G-15	Brown at 74'			135
G-16	Little red, then gray			228
G-17	Last 1' Brown			114
G-18	Gray - last 2' a little softer			
G-19	Red mostly - some gray			372
G-20	3' Red then gray			281
G-21	Gray - hard - 2 thin streaks Red			
G-22	Red at 107', then gray			
G-23	Last 2' Red			246
G-24	Mixed Red + gray - last 1' Gray			133
G-25	Last 4' Reddish			276
G-26	Gray - Brown in last 1'			161
G-27	Mostly Red			909
G-28	4' Reddish - then gray - then Red			758
G-29	Mostly gray - some Red		35' (130'-165') av. $5.93	450
G-30	Brown, little Red, last 1/2' Gray			575
G-31	Gray, thin Red @ 153', last 1/2' Brown			227
G-32	Gray, last 1' Red			620
G-33	Red to Brown to Gray			615
G-34	Reddish Brown (heavier, harder to blow out) Vein?			177
G-35	Reddish Brown			194
G-36	" "			378
G-37	" Last 2' softer	75' (130'-205') av. $4.98		357
G-38	" Little darker		40' (165'-205') av. $4.13	818
G-39	Last 2' gray			269
G-40	3' Gray - 2' Red			398
G-41	Mostly Grayish Brown			718
G-42	Dark to Light Brown - Little Gray			1143
G-43	Dark Brown - finer			2250
G-44	Brown - fine		30' (205'-235') av. $21.46	1369
G-45	Brown - Coarser			1434

Hole G			$ Total
G-46	(225' - 230') Dark Brown - Little Red - Softer	100' (130' - 240') av. 9.58	1909
G-47	Quite a lot of Mn - soft - fine		4770
G-48	Hard Gray - slightly Brown		748
G-49	" " Quit at 245'		252

LOG (Hole "H" is 10' N of "G")

4-10-73 to 4-11-73

Hole H Ft	Field Notes			$ Values
0-12	Caliche			
12-30	Gray Schist			
H-7	(30'-35') Gray schist			
H-8	Gray schist			
H-9	At 46' little brown + red, then gray - last 1' brown			
H-10	Little brown - then gray			
H-11	Gray			
H-12	Brown @ 57' - mixed gray + brown			
H-13	Gray - thin streak brown			
H-14	Gray			
H-15	"			
H-16	Red 77' to 79' - then gray			
H-17	Red + Brown @ 82', Red @ 83' then Brown			
H-18	Little Brown then Gray - Brown @ 87' - 2' Gray - 1/2' Red to Gray			
H-19	Hard Gray			
H-20	Brown + Gray - 2 thin streaks Red			272
H-21	Brown + Gray			149
H-22	2' Brown - 3' Gray			
H-23	Hard Gray			
H-24	" " - last 8" Brown			
H-25	3' Brown - 2' Gray -			308
H-26	Brownish Red - Vein ?			581
H-27	Red			1166
H-28	Brownish Red			666
H-29	Reddish to Brown		30' (130'-160') av. $ 13.09	2359
H-30	Brown			1296
H-31	Reddish Brown			1019
H-32	Brown - last 1/2' Gray			1348
H-33	1' Gray - then Brown - Brownish Gray			353
H-34	Red to Brown - little Mn @ 168'			841
H-35	Red to Brown	85' (125'-210') av. $ 11.94	30' (160'-190') av $ 8.00	1128
H-36	Mixed Gray + Brown			927
H-37	Brown - Red + Gray			794
H-38	2' Gray - 3' Brown			761
H-39	Mn @ 193 1/2' - Brownish Red - Some Gray			3081
H-40	Brownish Red		15' (190'-205') av. $ 24.78	2897
H-41	Brownish Red			1456
H-42	Brownish Red			508
H-43	Last 2' Grayer			281
H-44	4' Hard Gray - last 1' Red			165
H-45	Mostly Gray - Quit @ 225'			103

LOG

4-11-73 to 4-12-73

Hole I	Field Notes		Values Oct. 73
0-10	Caliche		
10-30	Gray-Schist		
I-7	(30'-35') Brown-little Red		89
I-8	Reddish Brown		109
I-9	3' Gray-2' Brownish Red		82
I-10	2' Brown-1½' Gray-1½' Red		40
I-11	2' Gray-Brown, Gray, Brown, Gray		75
I-12	Gray		117
I-13	3' Gray-2' Brownish Red-(Vein @ 63'?)		76
I-14	4' Reddish-1' Brown		71
I-15	Reddish Brown		59
I-16	" " Redder		49
I-17	"		54
I-18	"		51
I-19	Brown		61
I-20	Reddish Brown		30
I-21	Brown + Harder-Gray dust		63
I-22	Brown		257
I-23	"		252
I-24	Brown toward bottom-(Good?)		299
I-25	Darker Brown + Red	(Av=5.29)	1428
I-26	Red to Brown		659
I-27	" " "		310
I-28	"		313
I-29	" - Some darker		382
I-30	Red to Brown-Some Grayer		301
I-31	Mostly Gray - some Brown		208
I-32	Gray		97
I-33	Mostly Gray-some Brown		130
	Quit @ 165'		

LOG

4-12-73 to 4-16-73

Hole	Ft	Field Notes	Values
	0-16	Caliche	
J	4	(16'-20') Gray	
J	5	"	
	↓	(all Gray)	
J	22	Gray	
J	23	Reddish	
J	24	Gray	
J	25	"	
J	26	"	
J	27	Reddish (Looks like J-23)	
J	28	Brown	
J	29	Gray	
J	30	Brown	
J	31	Reddish	311
J	32	"	284
J	33	Brown	191
J	34	Gray - Softer at Bottom	~~[illegible]~~
J	35	4' Brown - 1' Gray	210 ~~[illegible]~~
J	36	Brown - little Red + Gray	~~[illegible]~~
J	37	2½' hard Gray - 2½' Brown	~~[illegible]~~
J	38	Hard Gray	
J	39	2' Gray - little Red, - Brown - Gray - Brown	188
J	40	Hard Gray	
J	41	" " Last 1/2 softer	
J	42	" "	
J	43	" "	
J	44	4' " " — 1' Brown	
J	45	" "	
J	46	Last 2' Reddish Brown (Vein @ 228'?)	103
J	47	Reddish	181
J	48	1' Brownish - then gray or (reddish brown cuttings)	224
J	49	Reddish Brown	144
J	50	" "	56
J	51	" "	360
J	52	" " Damper - with Mn? - Darker	1031
J	53	Little dust - finer Red + dark	1974
Used Foam			
J	54	Red - Water	507
J	55	Red - small sample (too much foam)	730
J	56	" " " " " "	576
J	57	Red -	308
J	58	Red	232
J	59	"	180
J	60	" Softer	120
J	61	" Soft	90
J	62	Soft - much finer	205
J	63	Hard - Sample fine + sovery	276
J	64	Fine + Red but gray schist cuttings	318

J 65	Red - soupy - but gray schist cuttings	266
J 66	Gray schist	167
J 67	Brownish + soft - but washed cuttings are schist	241
J 68	Hard gray schist	153
J 69	" " "	127

Quit @ 345'

LOG

4-17-73

Hole K Ft.	Field Notes		$ Values
0-10	Caliche		
K-3	(11'-15') Gray Schist		
K-4	Little Brown @ 17' - Gray		
K-5	Gray		
K-6	Thin Red @ 27' - Gray		
K-7	Gray		
K-8	Thin Brown @ 38'		
K-9	Brown @ 41', then Red to 42½', then Gray		168
K-10	Hard Gray		
K-11	" " - no sample kept		
K-12	" " " " "		
K-13	Mostly Gray - some Brown & Red - no sample kept		
K-14	Softer - 1' Red @ 67'		259
K-15	Gray 3' - Brown 2'		107
K-16	" 3' - " 1' - Gray 1'		
K-17	Brown + Gray - thin Red @ Middle		32
K-18	Red + Brown in last ½'		23
K-19	Brownish - Gray		18
K-20	" "		11
K-21	" "		48
K-22	Brownish		74
K-23	" - Little Redder		70
K-24	" " "		199
K-25	Reddish		239
K-26	"		161
K-27	"		137
K-28	Brownish		121
K-29	Reddish		74
K-30	Reddish + Brown		37
K-31	Reddish Brown		32
K-32	Lighter Brown		116
K-33	Last 2' Softer + Finer - all darker		744
K-34	4' Dark - 1' Brown	(Au = 1.18)	1317
K-35	Redder		343
K-36	1' Red - 3' Gray - 1' Brown		106
K-37	Mixed Gray + Brown		46
K-38	" " "		63
K-39	Little Brown 1st 1' - Hard Gray		
	Quit @ 195'		

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

April 12, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4218

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
G2	0.3 ppm	1 ppm	65 ppm	60 ppm	115 ppm
G7	0.2	1	75	265	450
G9	0.2	N	65	160	280
G13	0.3	1	95	780	680
G15	0.3	1	55	340	580
G16	0.2	1	70	0.11%	0.30%
G17	0.2	1	70	570 ppm	580 ppm
G19	0.2	1	210	0.29%	0.52%
G20	0.2	2	130	0.26%	0.27%
G23	0.2	1	140	0.16%	0.28%
G24	0.1	1	90	820 ppm	0.15%
G25	0.2	1	120	0.16%	0.36%
G26	0.3	1	105	650 ppm	820 ppm
G27	0.3	1	100	0.63%	1.50%
G28	0.3	1	120	0.40	1.30
G29	0.3	1	100	0.22	0.68
G30	0.3	1	155	0.21	0.98
G31	0.2	1	135	0.13	0.26
G32	0.3	1	265	0.29	1.00
G33	0.1	2	250	0.40	1.03
G34	0.1	1	90	0.18	0.18
G35	0.1	1	70	0.19	0.22
G36	0.2	2	90	0.20	0.57
G37	0.1	2	185	0.27	0.51
G38	0.2	1	510	0.66	1.20
G39	0.1	1	170	0.20	0.32
G40	0.1	1	135	0.13	0.76
G41	0.1	1	205	0.18	1.50
G42	0.1	1	460	0.91	1.90
G43	0.2	3	0.24%	2.0	3.60

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

April 12, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4218

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
G44	0.2 ppm	2 ppm	0.20%	1.17%	1.70%
G45	0.1	2	910 ppm	0.29	3.00
G46	0.1	2	1000	0.70	3.80
G47	0.1	6	0.33%	4.80	6.90
G48	0.2	2	440 ppm	0.74	0.86
G49	0.2	1	165	0.18	0.32

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

April 13, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4228

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
H20	0.1 ppm	2 ppm	270 ppm	0.20 ~~ppm~~ %	0.33 ~~ppm~~ %
H21	Nil	2	100	0.18	0.16
H25	Nil	2	100	0.20	0.54
H26	0.3	3	110	0.40	0.82
H27	0.8	3	95	0.61	1.75
H28	0.3	3	90	0.51	0.95
H29	0.3	4	590	2.15	3.70
H30	0.1	3	360	1.50	1.80
H31	0.1	2	310	0.68	1.80
H32	Nil	3	370	0.81	2.55
H33	Nil	2	135	0.34	0.53
H34	0.1	3	220	0.44	1.55
H35	Nil	3	530	1.25	1.60
H36	0.1	3	440	0.50	1.65
H37	Nil	3	360	0.46	1.45
H38	0.2	4	150	0.41	1.30
H39	Nil	4	0.19%	4.25	3.65
H40	Nil	4	0.16%	3.60	3.80
H41	0.4	4	550 ppm	1.00	2.30
H42	Nil	2	100	0.75	0.60
H43	Nil	2	85	0.40	0.32
H44	Nil	2	90	0.21	0.18
H45	Nil	2	65	0.11	0.11

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

April 16, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4228

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
I7	0.1 ppm	2 ppm	70 ppm	230 ppm	750 ppm
I8	0.1	1	45	590	0.12%
I9	0.1	1	40	360	750 ppm
I10	Nil	2	50	160	320
I11	0.1	1	55	410	510
I12	0.1	1	35	960	0.11%
I13	0.1	1	55	280	630 ppm
I14	0.1	1	40	460	340
I15	0.1	1	40	320	220
I16	0.1	1	35	150	90
I17	0.1	1	40	370	290
I18	0.1	1	55	190	90
I19	0.1	1	50	940	85
I20	Nil	1	45	360	150
I21	0.1	2	55	240	135
I22	0.5	1	55	0.15%	0.12%
I23	0.2	1	55	0.26	0.24
I24	0.3	1	50	0.33	0.23
I25	1.8	11	80	1.00	1.20
I26	1.2	2	80	0.43	0.41
I27	0.4	1	55	0.21	0.28
I28	0.5	1	85	0.20	0.21
I29	0.7	1	70	0.25	0.20
I30	0.2	1	100	0.32	0.30
I31	0.2	1	50	0.18	0.19
I32	0.2	1	45	380 ppm	600 ppm
I33	0.1	1	35	0.13%	0.12%

Respectfully submitted

ATRIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

April 17, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4242

Sample No	GOLD	SILVER	COPPER	LEAD	ZINC
J31	0.2 ppm	1 ppm	70 ppm	0.25 %	0.39 %
J32	0.2	1	80	0.20	0.36
J33	0.2	1	100	0.15	0.16
J35	0.1	1	100	0.19	0.25
J39	0.1	1	140	0.17	0.20
J46	0.1	1	95	800 ppm	760 ppm
J47	0.1	1	135	0.21 %	0.15 %
J48	0.2	1	170	0.23	0.16
J49	0.2	1	115	810 ppm	950 ppm
J50	0.1	Nil	65	270	290
J51	0.1	Nil	450	0.53 %	0.27 %
J52	0.1	4	0.14	0.82	1.35
J53	0.1	3	0.24	0.98	3.30

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

April 20, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4266

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
J54	Nil	Nil	330 ppm	1500 ppm	1.05%
J55	Nil	1 ppm	400	0.67%	1.15
J56	Nil	1	410	0.38	1.00
J57	Nil	Nil	230	1700 ppm	0.55
J58	0.1 ppm	Nil	220	1400	0.33
J59	0.1	Nil	170	1100	2400 ppm
J60	0.1	Nil	110	710	1400
J61	Nil	Nil	100	820	1300
J62	Nil	1	190	2700	2200
J63	0.2	1	230	2700	2900
J64	0.1	1	270	0.37%	0.33%
J65	0.1	1	200	2900ppm	2800 ppm
J66	0.1	1	150	1500	1600
J67	0.4	Nil	140	1700	1300
J68	0.1	Nil	160	1500	1500
J69	0.1	Nil	140	1100	1100
K9	0.4	Nil	55	730	550
K14	0.2	Nil	85	2700	2600
K15	0.1	Nil	55	870	1100
K17	Nil	1	75	210	250
K18	Nil	Nil	50	90	150
K19	Nil	1	45	40	100
K20	Nil	Nil	60	70	90
K21	Nil	Nil	60	440	700
K22	0.1	Nil	50	600	520
K23	0.1	Nil	35	510	530
K24	0.1	Nil	55	2800	2000
K25	Nil	Nil	40	0.42%	2500
K26	Nil	Nil	35	2900ppm	1600
K27	0.1	1	50	0.30%	1200
K28	Nil	1	40	2200 ppm	950
K29	Nil	1	50	1300	450

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

April 20, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4266

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
K30	Nil ppm	Nil ppm	200 ppm	230 ppm	150 ppm
K31	Nil	Nil	55	450	300
K32	Nil	Nil	50	1800	1300
K33	0.1	1	130	1.15%	0.81%
K34	0.4	9	130	2.10%	1.10
K35	0.2	3	50	0.44	2900 ppm
K36	0.1	Nil	55	1100	900
K37	Nil	Nil	50	560	540
K38	0.1	Nil	40	370	400

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

April 23, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4266

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
L10	Nil	Nil	220 ppm	220 ppm	900 ppm
L11	Nil	Nil	100	210	650
L14	Nil	Nil	90	140	340
L15	Nil	Nil	90	170	340
L16	Nil	Nil	80	440	950
L24	0.1ppm	Nil	90	130	280
L26	Nil	Nil	130	330	470
L27	Nil	Nil	120	115	230
L30	Nil	Nil	120	35	110
L33	Nil	Nil	100	65	165
L34	Nil	Nil	80	85	220
L35	Nil	Nil	70	80	185
13-X-470-475	Nil	Nil	110	160	295
X-475-480	Nil	Nil	70	90	410
X-489-493	Nil	Nil	110	310	650
X-493-497	Nil	Nil	130	430	920
X-604-609	Nil	Nil	70	300	790
X-609-614	Nil	Nil	80	140	490
X-614-619	Nil	Nil	80	150	860
X-619-624	Nil	1	120	430	1400
X-624-629	Nil	Nil	120	510	440
X-629-634	Nil	Nil	110	340	390
X-634-639	Nil	Nil	100	80	300
14-1093-1095	Nil	Nil	130	460	210

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

May 11, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4402

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
14-1141-1145	Nil ppm	Nil ppm	160 ppm	30 ppm	100 ppm
14-1197-1201	Nil	Nil	80	20	60
14-1220-1225	Nil	Nil	120	20	110
14-1226-1231	Nil	Nil	200	20	100
14-1269-1273	Nil	Nil	60	40	210
14-1273-1277	0.1	Nil	120	80	270
14-1277-1281	Nil	Nil	130	80	180

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

May 18, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Lab No. 4443

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
516-1	Nil ppm	Nil ppm	40 ppm	85 ppm	25 ppm
516-2	0.2	1	20	230	70
516-3	0.2	1	50	1100	410
516-4	0.4	Nil	65	1000	420
14-699-705	Nil	2	280	1800	810
14-1281-1285	0.2	Nil	150	90	250
14-1285-1287	0.1	Nil	170	200	410
14-1287-1291	0.1	Nil	90	40	180
14-1291-1295	0.1	Nil	110	40	100
14-1369.5-1371	Nil	Nil	270	170	360
14-1451.5-1455	0.1	Nil	70	40	110
14-1455-1460	0.1	Nil	70	30	110
14-1460-1465	Nil	Nil	90	30	80
14-1475-1479	0.1	Nil	110	130	140
14-1483-1485	0.1	Nil	100	20	90
14-1496-1499	0.1	Nil	120	80	120

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

April 19, 1973

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O. M. E.
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FILES CODE
Call 1/2 M
HK

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Transmitted herewith is an original and two copies of the Operator's Monthly Voucher for March - April 1973 with an accompanying narrative report, supporting statements for work completed, assay results and a geologic log.

Included with the Operator's Monthly Voucher material is a request to amend the contract to have certain items transferred to core drilling, as it became necessary to drill more core footage than was originally allowed, to adequately explore the structures exposed on the surface. The applicant is requesting that maximum core drilling footage be increased to $16,188.62, by transferring the items as shown in his request totalling $6,438.62.

I am recommending payment of these costs, pending the execution of proposed Amendment No. 1. Justification for Amendment No. 1 is the subject of an accompanying memorandum.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER For Month of March-April, 1973

Docket No. OME- 6879 (2308)
Contract 14-08-0801
Contract Amount $27,000.00
Cost Participation % 75 $ 20,250.00

Operator's Name Mystic Mining Company
Address 10726 Hatcher Rd., Sun City, Ariz. 85351

APR 9 - 1973
Denver, Colorado

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Category (1)-Independent contractor-Drilling		$		$		$		$
Mobilization & Demob.	½	100.00	1	200.00	½	100.00	1	200.00
Hammer Drilling	268'	1,340.00	1,116'	5,580.00	268'	1,340.00	1,116'	5,580.00
Core Drilling	871'	8,492.25	1,681'	16,389.75	850.37'	8,291.12	1,661.37'	16,188.62
Set & Pull Casing	2 Hrs	40.00	10 Hrs	245.00	2	40.00	10	245.00
Category (7)								
Sample Preparation	40	40.00	178	178.00	40	40.00	178	178.00
Geochem. Analysis	40	190.00	178	845.50	40	190.00	178	845.50
Recheck Analysis	5	15.00	14	42.00	5	15.00	14	42.00
Sample Sacks			974	170.88			974	170.88
Fixed Unit Costs								
Category (2)								
Supervision			2 mo	2,000.00	—	—	2	2,000.00
Sampler			2 mo	1,000.00	—	—	2	1000.00
Payroll Taxes			2 mo	450.00	—	—	2	450.00
Office			2 mo	100.00	—	—	2	100.00
		10,217.25		27,201.13				
Excess		201.13		201.13				
TOTALS		$10,016.12		$27,000.00		$10,016.12		$27,000.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date April 6, 1973 *Payee A. C. Harding, Mystic Mining Co.

Per A. C. Harding Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

Approved as noted, subject to field examination and audit.

Signature J. William Hesler OME Field Officer Date 4/12/73

(63) 14X0804

Approved for: $7,512.09 (SUBJECT TO AUDIT)

Signature BMT

Date 23 MAY 1973 Voucher No. R3557A

OFFICIAL COPY O. M. E. RECEIVED MAY 24 1973

INITIALS	CODE
Cac	120
HK	120

For Good Use Only

Remarks

1) Allow 850.37 feet of core drilling at 9.75 /ft. on 16,188.62, drilled in holes 11, 12, 13 & 14 pending execution of Amendment No 1, to the subject contract herein proposed.

JLH 4/13/73

2) See Amendment No. 1. Limitations removed.

[illegible] 5/[illegible]/73

BRANCH OF BUDGET AND FINANCE
MAY 1[illegible] 1973
RECEIVED
FINANCIAL REPORTS

SUMMARY OF WORK DONE + EXPENDITURES

MYSTIC MINING CO.
12-5-72 to 4-6-73

	1	2	3	4	5	6	7	8	9	10	
	Hole #11	Hole #12	Hole #13	Hole #14	Hole C	Hole E	Hole F	TOTALS		Totals for 11-12-13-14	
Categ 1 - Drilling											1
Mobilization + Demobilization	$	100 00		100 00				200 00		200 00	2
Hammer Drilling - feet	255'	289'	301'	268'	265'	285'	272'	1938'		1116'	3
" "	$ 1290 00	1445 00	1505 00	1340 00	1325 00	1425 00	1360 00	9690 00		5580 00	4
Core Drilling - feet	293'	140'	377'	871'				1681'		1681'	5
" "	$ 2856 75	1365 00	3675 75	8492 25				16389 75		16389 75	6
Setting + Pulling Casing	$ (3) 75 00	(2) 70 00	(3) 60 00	(2) 40 00				(10) 245 00		245 00	7
											8
Categ 7											9
Sample Preparation	$ (32) 32 00	(45) 45 00	(35) 35 00	(66) 66 00	(50) 50 00	(51) 51 00	(54) 54 00	(333) 333 00		(178) 178 00	10
Geochem Analyses	$ (32) 152 00	(45) 213 75	(35) 166 25	(66) 313 50	(50) 237 50	(51) 242 25	(54) 256 50	(333) 1581 75		(178) 845 50	11
Recheck "	$ (3) 9 00	(1) 3 00	(3) 9 00	(7) 21 00	(29) 87 00	(11) 33 00	(10) 30 00	(64) 192 00		(14) 42 00	12
Sample Sacks	$							170 88		170 88	13
											14
Categ. 2 - Fixed Units											15
Supervisor	$							(2) 2000 00		2000 00	16
Sampler	$							(2) 1000 00		1000 00	17
Payroll Taxes	$							(2) 450 00		450 00	18
Office Expense	$							(2) 100 00		100 00	19
TOTALS	$ 4414 75	3241 75	5451 00	10372 75	1699 50	1751 25	1700 50	32352 38		27201 13	20
											21
											22
											23
		CONTRACT	STATUS -	4-6-73							24
	JAN.	FEB.	TOTALS		CONTRACT AMOUNTS	CONTRACT BALANCE					25
Amounts Approved	9742 90	7246 98	16988 88		27000 00	10011 12					26
Amounts Paid (75%)	7307 17	5430 74	12737 91		20250 00	7512 09					27
											28
											29
											30
											31

MYSTIC MINING CO.

HOLES 11, 12, 13 + 14 ONLY

	CONTRACT AMOUNT	EXPENDED	BALANCES OVER	BALANCES UNDER
Categ. 1 - Drilling				
Mobilization + Demobilization	200 00	200 00		
Site Preparation	200 00	-		200 00
Surface Casing Pipe	370 00	-		370 00
Hammer Drilling	6000 00	5580 00		420 00
Core Drilling	9750 00	16389 75	6639 75	
Setting + Pulling Casing	1575 00	245 00		1330 00
Casing left in hole	372 00	-		372 00
Cement, drill mud, additives	500 00	-		500 00
Total Category 1	18967 00	22414 75	6639 75	3192 00
Categ. 7 - Miscellaneous				
Preparing Samples	315 00	178 00		137 00
Geochemical Analysis	1496 25	845 50		650 75
Recheck	2250 00	42 00		2208 00
Fire Assaying	66 00	-		66 00
Cardboard Core Boxes	115 00	-		115 00
Sample Sacks	240 75	170 88		69 87
Total Category 7	4483 00	1236 38	-	3246 62
Total Actual Costs	23450 00	23651 13	6639 75	6438 62
Fixed Unit Costs				
Supervisor	2000 00	2000 00		
Sampler	1000 00	1000 00		
Payroll Taxes	450 00	450 00		
Office Expense	100 00	100 00		
Total Fixed Unit Costs	3550 00	3550 00	-	-
Total Estimated Cost	27000 00	27201 13	6639 75	6438 62
Difference between Over + Under			201 13	

To balance at $27,000.00 (Disallow $201.13 of "Core Drilling")

Transfer to "Core Drilling" the following items:

Site Preparation	200 00
Surface Casing Pipe	370 00
Hammer Drilling	420 00
Setting + Pulling Casing	1330 00
Casing left in Hole	372 00
Cement, drill mud, additives	500 00
Preparing samples	137 00
Geochemical Analysis	650 75
Recheck	2208 00
Fire Assaying	66 00
Cardboard Core Boxes	115 00
Sample sacks	69 87
	6,438 62

[Increase "Core Drilling" To $16,188.62]

MYSTIC MINING COMPANY

RECAP
OF
VOUCHERS & PAYMENTS

	Claimed	Disallowed	Allowed	Paid 75%
January	12,592.90	2,850.00	9,742.90	7,307.17
February	12,547.73	5,306.75	7,240.98	5,430.74
Sub-Total	25,140.63	8,156.75	16,983.88	12,737.91
Potential For March-April	10,016.12	-	10,016.12	7,512.09
Total	35,156.75	8,156.75	27,000.00	20,250.00

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

April 6, 1973
MYSTIC MINING COMPANY

Docket No. OME-6879
Contract No. 14-08-0901-2308

OME Region III
RECEIVED
APR 9 - 1973
Denver, Colorado

Mr. J. William Hasler
U. S. Geological Survey
Office of Minerals Exploration
Building 53 - Room 28
Federal Center
Denver, Colorado 80225

Dear Bill:

Enclosed are four copies, each:

Third Narrative Report, 4/6/73
Laboratory Assay Reports and Hole Log
Form 9-1648 (invoices attached to original)

I hope I have prepared the voucher correctly. If so, it will be the first time. As noted in the Narrative, it now seems to make little difference whether OME participation involves Holes C, E, and F, or just all of Hole 14. Taking what seems to be the simpler approach I have included in the voucher Hole 14. I have also attached summary worksheets:

Recap of Vouchers and Payments
Summary of work done and Expenditures (by Hole and Item)
Statement of Over and Under Expenditures

I herewith make formal request to have certain items transferred to Core Drilling, as listed on the latter sheet, increasing Core Drilling to $16,188.62 by transfer of the items tabulated, items totalling $6,438.62.

I'd also like to direct your attention to the last paragraph of the Narrative, inquiring if OME has additional funds available which might be included in the contract, through amendment.

With best regards.

Sincerely,

A. C. Harding

MYSTIC MINING COMPANY
10726 Hatcher Rd.
Sun City, Ariz. 85351

Docket No. OME-6879
Contract 14-08-0901-2308

THIRD NARRATIVE REPORT

April 6, 1973

Hole No. 14 was terminated at 1,139 feet on March 12th. The drilling contractor moved off the property on that day. It was drilled quite a bit deeper than originally anticipated and is the deepest hole on the property. The preceding report noted a conclusion that the vein was dipping in excess of 80 degrees and that its projection for Hole 14 would be in excess of 600 feet. As previously reported slight mineralization had been found in Hole 14 in three fairly shallow areas with values not exceeding $3.65 a ton. Nothing of great interest was found above 900 feet and operator was about to terminate the hole when some Pyrite was noted at 927 feet, the first sulfide mineralization encountered on the property. Drilling was continued while some samples were being tested, but the Pyrite contained nothing of value.

As noted the hole was terminated at 1,139 feet, for several reasons; the lack of values in laboratory tests, the fact that the drilling contractor was two weeks overdue on another job for which he had contracted, and maximum depth had just about been reached for the rig set-up.

For contract purposes the hole should be considered as 'finished' and no work has been done on the property since March 12th. The contract funds are exhausted. In fact, if Holes C, E, and F are to be included in the contract as previously suggested, then contract funds were exhausted at about the 592' depth in Hole 14. It seems simpler now to include all of Hole 14 in the contract and exhaust the funds therein, with no OME participation in the Holes C, E, and F. Either way operator has expended something over $5,000 in excess of the contract amount.

Having now had time to study the cores from the bottom of Hole 14 and to reflect on the geological possibilities, operator is not satisfied with its present bottom depth. There is a chance that the pyrite noted in the bottom 200' is an alteration product in the wall rock of an ore deposit. Other indications are the presence of some sericite and epidote in the schist. Appropriate comments from the literature include the following:

"In the Bisbee district...pyrite...is abundant in the schist adjacent to the porphyry."

"The most abundant sulfide in the porphyry deposits, with the exception of Ajo, is pyrite."

"A close association of sericite occurs in many districts."

(Above quotes from George M. Schwartz, "The Nature of Primary and Secondary Mineralization in Porphyry Copper Deposits" in "Geology of the Porphyry Copper Deposits" by Titley & Hicks)

"Pyrite is a standard alteration product around sulfide ore bodies."
("Ore Deposits" by Park & McDonald

"The pyritic replacement deposits of the Bradshaw Mountains and Jerome are contained in pre-Cambrian schists."
("Mineral Deposits", Lindgren)

Perhaps also of significance is the fact that operator had noted that the pyrite (?) in the bottom six inches of Hole 14 is appreciably yellower than the steel-gray pyrite found higher. The bottom foot was tested separately. Examining the crushed reject sample from the lab with a microscope, less than 5% of the rock particles showed pyrite. However the one-foot sample tested 17 ppm silver (½ oz.) and about one-pound of copper. Of 39 other samples tested from Hole 14 only one showed as much as 3 ppm silver. The pyrite grains are very fine, but operator does not believe that the yellow color includes any chalcopyrite crystals. He could identify none, but the yellow color of the pyrite may suggest its proximity.

Operator intends to drill one or two hammer-drill holes at shallow depths to see if more can be learned about the dip near Hole 14. He intends to drill the first one on a line with Holes B and C, and on line with Holes 13 And 14.

That would place the first next hole, Hole G, 60 feet to the northeast of Hole 14. He expects to find the vein at about 185°. Tentatively scheduled, then, is another hammer-drill hole 10' farther northeast, in line with G, 14, and 13. It is expected that these holes will indicate how steeply the vein is dipping, at least at the levels tested, and thus help establish the advisability of trying to go back into Hole 14 for further drilling.

If OME has any further funds available, their participation is solicited, both for the additional drilling operator has done since the date of the contract, and for further exploration, such participation to be attained by amending the present contract.

Respectfully submitted,

MYSTIC MINING COMPANY

A. C. Harding

A. C. Harding

LOG AND

LABORATORY REPORTS

To April 6, 1973

MYSTIC MINING COMPANY

Docket No. OME-6879
Contract No. 14-08-0901-2308

HOLE No. 14

Log — 2/7/73 to 3/12/73

Ft.	HAMMER DRILLING (sampled 26 - 5' runs)
0-10	Caliche
10-268	All schist, mostly gray, with intermittent brown to red oxidized streaks. Samples tested indicated only occasionally slight mineralization. In the 40 foot zone between 135' and 175', 35' averaged $1.50 in the five metals.

	CORE DRILLING
268-296	Solid gray schist
296-304	Oxidized schist
304-306	Gray
306-307	More oxidized
307-322	Reddish + rhyolitic (?)
322-324	Red + friable schist
324-327	Grayer
327-329	More fractured - some Mn
329-340½	Oxidized + fractured - some red
340½-349	Grayer - oxidation in fractures
349-359	Gray schist
359-361½	Reddish
361½-409	Gray schist - some oxidation + calcite in fractures
409-432½	Gray schist
432½-447	Quite oxidized - some Mn
447-479	Gray schist
479	Gray schist - some oxidation
529-589	" " " "
589-659	" " " "
659-699	" " " "
699-739	" " harder - some oxidation in fractures
739-779	" " hard
779-784	Browner
784-882	Gray schist - some oxidation in and around fractures
	Still losing water

Ft.	
852-882	Gray schist - some oxidation
882-884	Some black calcite
884-900	Gray schist
900-901	Considerable Mn (pyrolusite)
901-924	Gray schist - some oxidation in fractures
924-927	Black crystalline schist - shiny biotite?
927	First pyrite noted - shiny - steel gray in fractures
929	Little pyrite
929-939	Gray schist, not as much biotite
939-949	Glassier - calcitic
949-959	Similar, but harder
959-969	" " "
969-979	"
979-989	"
989-999	Pyrite noted at 989'-8"
999-1009	Pyrite principally in fractures of gray schist, some dissemination
1009-1013	No visible pyrite
1013-1017	Pyrite
1017-1019	No pyrite, but more epidote
1019-1029	Pyrite 1022½ to 1028½ - then more calcitic + oxidized
1029-1039	A little pyrite at 1031 and 1036½ and 1038½ in fractures
1039-1049	Some pyrite at 1047 to 1049 - first apparent sericite
1049-1059	No pyrite noted - lighter gray - almost like serpentine
1059-1069	Ditto
1069-1079	More solid schist - somewhat redder + more epidote. Bit of green copper at 1076?
1079-1089	Schist
1089-1099	No pyrite - little more oxidation
1099-1109	Pyrite 1103 to 1105
1109-1119	Touch of green copper at 1111 in fracture, pyrite at 1114
1119-1129	Pyrite at 1121-1122
1129-1139	Some pyrite at 1132½, 1135'-3", and at 1138½

Pyrite at bottom is yellower (previously had been steel gray)

All pyrite very fine — cannot detect chalcopyrite crystals.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

February 15, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351
Lab No. 3884

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
14-297-302	0.2ppm	1ppm	570ppm	530ppm	800ppm
14-302-307	0.1	1	110	1200	2000
14-307-311	0.2	Nil	75	500	800
14-322-324	0.2	1	220	3000	0.54
14-324-329	0.4	1	140	2300	0.55
14-329-334	0.8	2	220	3000	0.64
14-334-339	0.2	Nil	200	0.32	2700

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

February 27, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351
Lab No. 3909

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
14-432.5-437	0.1 ppm	1 ppm	135 ppm	350 ppm	450 ppm
14-458-462	Nil	1	55	1300	1300
14-462-467	0.1	2	50	500	680
14-496-499	Nil	2	50	170	360
14-537-542	0.1	1	65	230	300

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Co.
10726 Hatcher Rd
Sun City, Arizona 85351

Date: March 1, 1973

Lab. No.: 3944

Sample: Ore

Marked: See Below

Received: 2-28-73

Submitted by: Same

REPORT OF LABORATORY TESTS

	Gold	Silver	Copper	Lead	Zinc
14-581-589	Nil	1 ppm	80 ppm	200 ppm	200 ppm
589-597	Nil	1 ppm	100	40	110
597-600	Nil	1	60	30	140
627-632	Nil	2	90	870	600
705-707	Nil	3	520	0.75%	2200 - $3.84
775-779	Nil	1	70	110	120

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

March 8, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351
Lab No 3987

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
14-779-783	Nil ppm	2 ppm	60 ppm	80 ppm	140 ppm
14-811-813.5	0.1	1	120	150	240
14-847-849	0.1	1	370	30	80
14-883-885	Nil	1	230	1400	1400
14-894-899	Nil	1	70	190	260
14-933-936	0.1	Nil	150	40	140
14-953-958	0.1	Nil	50	30	90
14-981-984	0.2	Nil	50	60	110

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

March 12, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351
Lab No. 4001

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
14-989-992	Nil ppm	1 ppm	55 ppm	890 ppm	80 ppm
14-996-999	Nil	Nil	55	480	50
14-1002-1005	Nil	Nil	60	170	55
14-1008-1011	Nil	1	45	130	50
14-1014-1017	0.1	Nil	35	75	40
14-1020-1023	Nil	Nil	55	85	45
14-1026-1029	0.1	1	55	70	80
14-1041-1044	Nil	1	35	45	55

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For Mystic Mining Company
10726 Hatcher Road
Sun City, AZ 85351

Date March 27, 1973

Sample of Ore

Received:

Submitted by:

ASSAY CERTIFICATE

Gold figured at $ 38.00 per ounce

Silver figured at $ 2.00 per ounce

LAB. NO.	IDENTIFICATION	GOLD		SILVER		PERCENTAGES		
		XXXXXXXXX	VALUE	XXXXXXXXX	VALUE	copper	lead	zinc
4096	14-1049-1051	nil		nil		115 ppm	35 ppm	75ppm
	14-1067-1069	nil		nil		105	20	75
	1073-1077	nil		1 ppm		250	15	45
	1132-1133	nil		2		340	15	60
	1133-1138	nil		2		260	15	65
	1138-1139	nil		17		450	15	60

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ALBERT C. HARDING

71 Magnolia
Casper, Wyoming 82601

10726 Hatcher Rd.
Sun City, Ariz. 85351

OME Region III
RECEIVED
MAY 10 1973
Denver, Colorado

May 7, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 14 1973

Mr. J. William Hasler
Office of Minerals Exploration
Geological Survey - US Dept. Interior
Building 53 - Room 28
Denver Federal Center
Denver, Colorado 80225

OME-6879
Ex. Cont. 2308

Cal 120m
HK ~~120~~

Dear Bill:

Thanks for your letter of May 3rd with copies of Amendment No. 1. We are pleased to note that the Amendment conforms with the request we made in our letter and report of April 6th, and we enclose herewith three fully executed copies thereof.

In the April report we indicated our intention to do some further drilling to try to ascertain the dip in the area of Holes 13 and 14. Beginning April 9th and through April 18th we hammer-drilled Holes G, H, I, J, K, and L. G through K were drilled on the Line 13-14 and up-dip to the north. Hole L was drilled on the E-F line and down-dip toward the south. We attach herewith cross-sections for those two lines and would appreciate your comments.

It seems somewhat ridiculous, after all the drilling we have done, not to be certain about the dip. You will note that we have plotted an apparent dip for Holes 14 through I of about 60°, using the best values found in each hole. However, that apparent dip leaves much unexplained, particularly the poor values in Hole 14 and the absence of values of any consequence in 13. It seems at least possible that G and H have penetrated a common fissure, but that each of the other holes has penetrated separate fractures. This could be possible if the general dip of parallel fractures approximates 80°. This theory seems to be supported by the Line L-F as well as the original lines 12-1 and 11-7. Also, a casual inspection of surface showings on the hill west of Line 12-1 suggests that there may be 8 or 9 parallel and potential mineralized fractures or fissures.

We have reset a core drill on Hole 14, cleaned out the hole and resumed drilling therein. We expect to explore to about 1,500 feet, if we find nothing above that level. It should be completed in about a week. We are tentatively planning on returning to Casper for the summer by the latter part of next week.

We are also attachinga sheet which summarizes the values found in the s everal holes on Line 14-I. In the mineralized areas the rocks are thoroughly oxidized but still have sufficiently high values to justify further exploration. The values are primarily in lead and zinc, with minimal gold, silver and copper. Best gold is about $2,00. We are finding very high oxidation at around 1,200 feet in Hole 14! This suggests a good sized fissure in the vicinity

Again, we would like to solicit a further amendment to the contract to provide addition OME participation in the additional work we have done and are doing. By the time we terminate Hole 14 at around 1,500 feet we will have spent about $16,000 beyond the original contract amount.

With best regards.

Yours very truly,

MYSTIC MINING COMPANY

A. C. Harding

A. C. Harding

SUMMARY OF VALUES
Au, Ag, Cu, Pb, Zn
@ current prices

HOLE				
I	10' (120'-130')	$ 9.96		
	45' (105'-150')		$ 4.44	
K	10' (160'-170')	10.12		
	25' (155'-180')		5.15	
H	10' (190'-200')	30.60		
	35' (170'-205')		17.03	
	100' (120'-220')			10.87
G	10' (225'-235')	33.28		
	40' (200'-240')		18.05	
	110' (130'-240')			9.52
J	10' (255'-265')	14.92		
	45' (250'-295')		6.52	
14	10' (324'-334')	5.10		
	17' (322'-339')		4.29	

For 6 Holes - Best 10' average 17.33
For 6 Holes - Av. Thickness 34½' - Av. Value 9.67
(G & H - - Av. Thickness 105' - Av. Value 10.16)

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

May 10, 1973

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O. M. E.
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MAY 14 1973
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HK ~~120~~

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Au)
Mystic Mining Company
Question Claims Group
Maricopa County, Arizona
Contract 2308

Transmitted herewith are the "Government's Copy" and "Branch of Financial Management's Copy" of Amendment No. 1 on the above-captioned subject, signed for the Government, and by both partners; Mr. Albert C. Harding, and Mr. Leith Pike.

The Operator has retained the "Operator's Copy" and the "Field Office's Copy" and "Extra Copy for Field Use" have been retained for the OME Region III field office files.

J. William Hasler

J. William Hasler,
Field Office, Region III
Office of Minerals Exploration

Enclosures

Office of Minerals Exploration
Building 53 Room 28

May 3, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 7
INITIALS
CC
HK

Mr. Albert C. Harding
10726 Hatcher Road
Sun City, Arizona 85351

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona

Dear Mr. Harding:

Enclosed are the original and three copies of proposed Amendment No. 1 (two pages, 1 map Figure 2 rev. 1973) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you as the Operator, all four copies should be signed by the authorized representatives, retain the "Operator's Copy" and return the rest to this office.

If any part of the proposed amendment does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, OME
OME-6879
OME chron
Mr. Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

April 27, 1973

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Enclosed are the original and three copies of proposed Amendment No. 1 (two pages, 1 map Figure 2 rev. 1973) to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by the authorized representatives of the Operator and distributed as usual.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo

HKirkemo/cac 4/27/3

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

April 25, 1973

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Justification for Amendment No. 1

On April 6, 1973, the Operator requested that funds not expended on the project for certain items under Actual Costs be transferred to core drilling in order to help pay for drilling completed in addition to that originally planned (2776 ft vs. 2200 ft). The Field Officer recommends approval of the request, and I concur.

The Field Officer explains in his memorandum of April 19, 1973 to the Chief, OME, that it became apparent as successive holes were drilled on the contract and in additional holes drilled on the Operator's own account, that either the dip of the mineralized fault zone is steeper than originally thought, or it does not extend to the depths expected. The net result was that some of the holes were drilled deeper than originally planned, and, unfortunately, did not intersect a recognizable mineralized fault zone. The savings resulting from non-use of certain items allowed in the Contract will help defray the cost of approximately 575 feet of additional drilling. The amendment does not increase the cost of the project for the Government, or the unit cost of any item in the Contract.

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo

HKirkemo/cac 4/25/73

Final pb. Chm.
4/25/73

EXPLORATION CONTRACT
ALBERT C. HARDING AND LEITH PIKE, a partnership, d/b/a
MYSTIC MINING COMPANY

OME-6879

Amendment No. 1

It is agreed this_____day of_____,1973, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Albert C. Harding and Leith Pike, a partnership, d/b/a Mystic Mining Company, hereinafter called the "Operator," that Exploration Contract 2308 (OME-6879) dated December 5, 1972, is amended effective the date of the contract as follows:

In Exhibit A:

(a) The Description of the Work, page 2, is amended to read as follows: "The work shall consist of preparing four surface drill sites, and drilling one vertical drill hole at each site for an estimated drilling total of 2776 feet. The approximate locations of the holes to be drilled, Numbers 11, 12, 13 and 14, are shown on Figure 2, (revised 1973) entitled "Map Showing Proposed Drilling," which is attached and made part hereof."

(b) Under Estimated Costs of the Project, Actual Costs, on pages 2 and 3, the entire schedule is revised to read as follows:

"Actual Costs

Category (1) Independent Contracts

Drilling

Mobilization and demobilization	$200.00	
Hammer drilling 1,116 feet at $5.00/ft.	$5,580.00	
Core drilling-NXWL (NQ) 1,660.37 feet @ $9.75/ft.	$16,188.62	
Setting and pulling casing 10 hours at $24.50/hr.	$245.00	
Total Category 1		$22,213.62

Category (7) Miscellaneous

Preparing samples for analysis, 178 samples at $1.00	$178.00	
Geochemical analysis for gold, silver, copper, lead, zinc 178 samples at $4.75/sample	$845.50	
Recheck of sample pulps if individual value exceed: Au greater than 1 ppm or Ag greater than 30 ppm, or Pb greater than 3,000 ppm, or Zn greater than 3,000 ppm 14 determinations at $3.00 each	$42.00	
Sample sacks 974 @ $0.17544	$170.88	
Total Category (7)		$1,236.38
Total Actual Costs		$23,450.00"

This amendment should not be construed to increase the estimated total cost of the contract, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Except as herein amended, Exploration Contract 2308 (OME-6879), dated December 5, 1972, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

Mystic Mining Company

By_____
Albert C. Harding, Partner

By_____
Leith Pike, Partner

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

April 19, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
R 23 1973
INITIALS CODE
Cac 1/20 rv
HK 1/20

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

The Operator, in a letter accompanying his Operator's Monthly Voucher for March-April, 1973, request to have a number of Actual Cost Items transferred to core drilling to allow for the completion of some 660.37 feet of core drilling over the allowable 1,000 feet of core drilling originally prescribed in the contract.

The purpose of the project is to explore by drilling for gold-bearing ores in a mineralized fault zone cutting Precambrian schists at the south end of the Hieroglyphic Mountains near Sun City, Maricopa County, Arizona. The principal objectives are secondarily enriched deposits associated with the present or former water table. Exploration work consists of completing four vertical drill holes extending southwestward, more or less normal to the strike of the vein to intersect successively deeper portions of the vein down-dip, with the hope of discovering deposits of secondarily enriched gold at depth. Drilling at various distances along the structure has been completed in an east, intermediate, and west areas ranging in depth from 429 feet to a total depth of 1,139 in drill hole No. 14. Early drilling in approved holes 11 and 12, as well as two holes B and C drilled on the Operator's own account indicated that the vein structure may be steepening, consequently it was deemed advisable that the site of proposed hole No. 13 should be moved nearer the surface outcrop, in order that the vein may be penetrated at a more shallow depth, should the vein dip more steeply than it was originally thought to do. The site for hole No. 13 was then relocated and drilled at a point about 225 feet northwest of hole No. 11 parallel to the line of holes along hole No. 8, and Holes B, C and E. (See attached Figure 2 revised).

Drill Hole No. 13, was reported by the Operator to have had somewhat unfavorable results as to whether the hangingwall structure was penetrated or not. The Operator reported that considerable oxidized material was penetrated between 609 and 639 feet but that it was mostly iron-stained schist rather than identifiable vein material such as calcite, quartz, pyritic material or any gold, silver, lead or zinc. As a result of this drilling it also was deemed advisable to relocate the site of proposed hole No. 14, as in its originally proposed location would not be likely to penetrate the structure at depth if the dip should be steeper than it was originally thought. Consequently approval was given the Operator to relocate Hole 14, at a point approximately midway between holes B and C, and 60 feet south of and normal to the line along holes B, C and E. (See attached figure, revised). It was hoped that the structure would be penetrated at a depth between 350 and 400 feet, depending of course on the true dip of the structure.

The Operator drilled Hole No. 14 to a total depth of 1,139 feet. The hole was drilled deeper than originally anticipated, and there was apparently no definite structure intersected by Hole No. 14, however there were several oxidized zones penetrated as well as some pyritic zones especially near the bottom of the hole. Assay results from samples from these zones proved disappointing. The driller's rig was not adaptable to drilling inclined holes consequently it was not possible to drill directly into the structure from the hangingwall side and intersect it at a particular distance below the surface outcrop.

Only minor amounts of mineralized material were penetrated to a depth of 900 feet, and the Operator was about to terminate the hole when some pyritic material was intersected at 927 feet, consequently he deepened the hole to fully test the possibility of finding the structure at depth or of finding a secondarily enriched zone. Results of the sampling proved essentially negative, and a closer examination of the core made by the Operator indicated that there were only small amounts of pyrite present in the schist and that it was not gold bearing, consequently the hole was terminated at 1,139 feet.

The hangingwall structure has been quite thoroughly explored with a total of some 4,973 feet of drilling in 15 holes. Any further exploration drilling should be done by the Operator, and it should be recommended that he drill some angle holes northeastward into the structure to test for its continuity, and strength. There is a likelihood that the vein pinches at depth and is essentially nonexistant, or that there may be a series of enriched zones occurring sporadically along and down the dip of the main northwesterly striking vein. It is recommended that the contract be amended to allow for the increased amount of diamond drill core footage required in hole No. 14, rather than to allow for the completion of unauthorized holes C, E and F. A draft of proposed Amendment No. 1 is included.

EXPLORATION CONTRACT

MYSTIC MINING COMPANY

OME-6879

Amendment No. 1

It is agreed this ___day of _____, 1973, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and Albert C. Harding and Leith Pike, a partnership, d/b/a Mystic Mining Company hereinafter called the "Operator", that Exploration Contract 2308 (OME-6879) dated December 5, 1972, is amended effective the date of the contract as follows:

Exhibit A

General Provisions

Description of the Work

The work shall consist of preparing four surface drill sites, and drilling one vertical drill hole at each site for an estimated drilling total of 2200 feet. The approximate locations of the holes to be drilled, Numbers 11, 12, 13 and 14, are shown on Figure 2 (revised 1973) entitled "Map Showing Proposed Drilling", which is attached and made a part thereof.

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

Drilling

Mobilization and demobilization	$200.00
Hammer drilling 1,116 feet at $5.00/ft.	$5,580.00
Core drilling-NXWL (NQ) 1-15/16" core 1,660.37 feet @ $9.75/ft.	$16,188.62
Setting and pulling casing 10 hours at $24.50/hr.	$245.00
Total Category 1	$22,213.62

Category (7) Miscellaneous

Preparing samples for analysis, 178 samples at $1.00	$178.00	
Geochemical analysis for gold, silver, copper, lead, zinc 178 samples at $4.75/sample	$845.50	
Recheck of sample pulps if individual values exceed:		
Au greater than 1 ppm or Ag greater than 30 ppm, or Pb greater than 3,000 ppm, or Zn greater than 3,000 ppm 14 determinations at $3.00 each	$42.00	
Sample sacks 974 @ $0.17544	$170.88	
Total Category (7)		$1,236.38
Total Actual Costs		$23,450.00

Fixed Unit Costs

1 Supervisor, 2 months at $1,000.00/month	$2,000.00	
1 Sampler, 2 months at $500.00/month	$1,000.00	
Payroll taxes, 15% of $3,000.00	$450.00	
Office Expense 2 months at $50.00/month	$100.00	
Total Fixed Unit Costs		$3,550.00
Total Estimated Cost of the Project		$27,000.00
Government participation at 75%		$20,250.00

This amendment should not be construed to increase the estimated total cost of the contract, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Except as herein amended, Exploration Contract 2308 (OME-6879), dated December 5, 1972, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____

Chief, Office of Minerals Exploration
U. S. Geological Survey

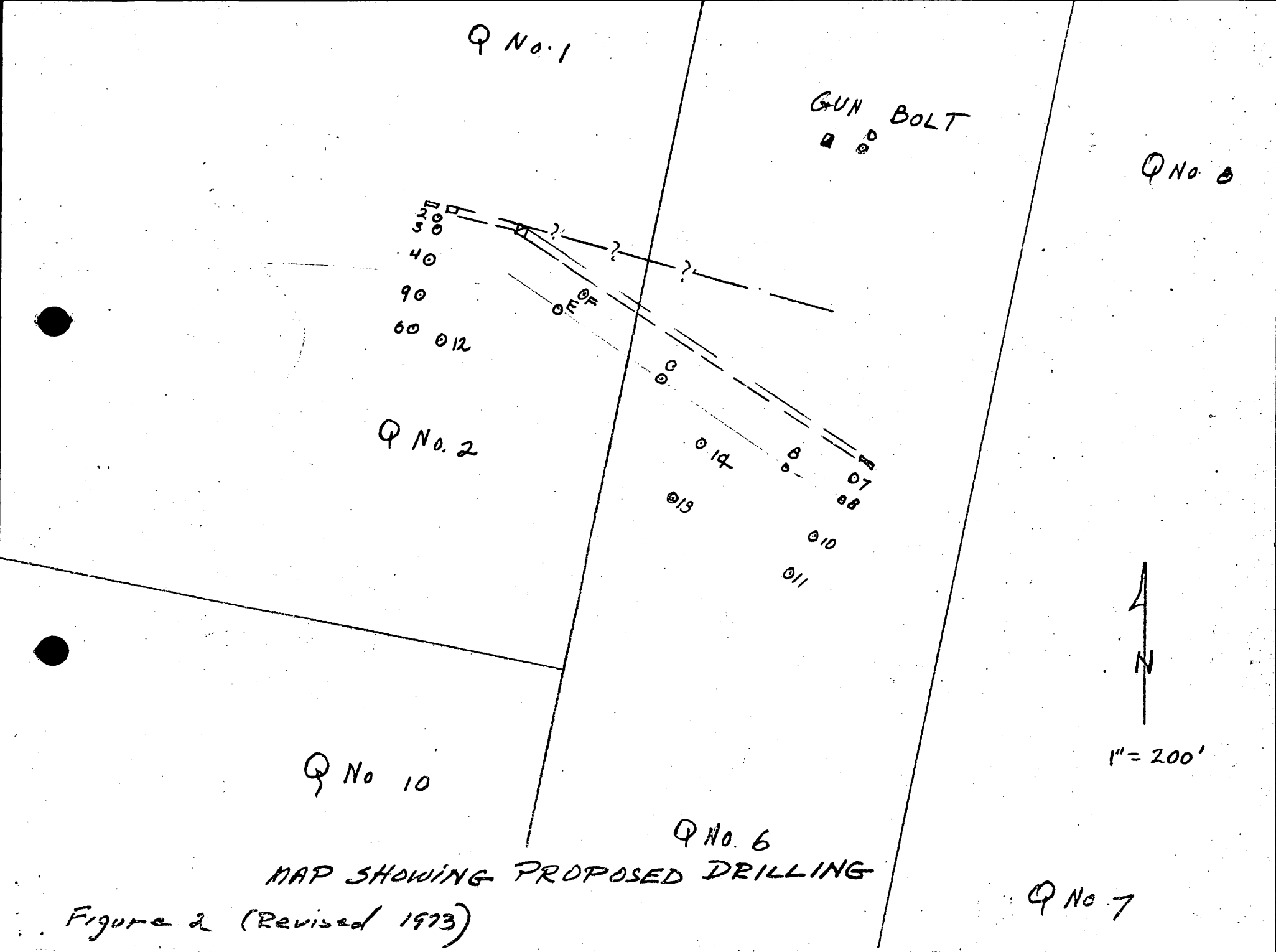
Mystic Mining Company

By _____

Partner

By _____

Partner



MAP SHOWING PROPOSED DRILLING

Figure 2 (Revised 1973)

Office of Minerals Exploration
Building 53 Room 28

March 12, 1973

ORIGINAL COPY
E.
RECEIVED
MAR 14 1973
CODE

Mr. Albert C. Harding
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 84351

cc 120 m
HK ~~120~~
BW

Re: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. Harding:

Your letter of March 4, 1973 concerning the subject contract arrived in this office March 6, 1973. I attempted to call you the latter part of that week to inform you of some further disallowances on your February voucher that were made by Washington on holes C and E which you asked for reclaimed footage.

Washington informed me that they could not allow any footage on holes C and E until the contract is amended to allow for drilling them, since they were drilled on your own account and were not allowed for in the contract. There were also additional disallowances for sample preparation, geochemical analyses, and recheck analyses as they involved results from drill holes C, E and hole No. 14 which was still incomplete at the time the February voucher was processed. Your March 4, 1973 letter may suffice as a request for an amendment to the contract, however, you should request an amendment to the contract to allow for payment of footage drilled in holes C and E, as presently located and drilled, thereby justifying their relocation.

In line with your March 4th request, the following unused costs ay be available for transfer to "Hammer drilling":

Item	
Site preparation	$200.00
Surface casing pipe	$370.00
Casing left in hole	$372.00
Additives, drilling mud, etc. etc.	$500.00
Cardboard boxes	$115.00
	$1,557.00

According to my data, items not used in full, leaves the balance of costs shown below, some of them may be available for transfer to hammer drilling, sample preparation, geochemical analyses, recheck analyses. Of the balance below please indicate, in your request for an amendment, the amount you wish transferred to hammer drilling, and core drilling from sample preparation, geochemical analyses, core drilling, recheck analyses, etc. etc.

Items not fully used

Items	Amounts	Costs
Demobilization	1/2	$100.00
Hammer drilling	352 ft.	$1,760.00
Core drilling	190 ft.	$1,852.50
Setting and pulling casing	37 hrs.	$1,370.00
Sample preparation	177	$177.00
Geochemical analyses	177	$840.75
Recheck analyses	741	$2,223.00
Sample sacks	-----	$69.87
Fire assays	15	$66.00
		$8,459.12

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME

cc: OME-6879
OME CHRON
Mr. Hasler

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

March 4, 1973

Re: OME 6879 (Gold)
Contract 2308

RECEIVED
MAR 6 - 1973
Denver, Colorado

Mr. J. William Hasler
U. S. Geological Survey
Office of Minerals Exploration
Biulding 53 - Room 28
Federal Center
Denver, Colorado 80225

Dear Bill:

This will acknowledge your letter of February 26th, advising that you have disallowed certain items listed in our second voucher. We will have to wait for further advice to know just what items are involved. Our next voucher will be the final one and I hope that its form will be satisfactory to both parties.

We note your advice that "additional hammer drilling footage can only be allowed if you request that the contract be amended", etc. We had intended to do that on page 3. of our 'Second Narrative Report', from which we quote:

> "It is also requested that we be permitted to transfer certain cost items which will not be used or not used in full to other items which will be exceeded. We will not use the full amounts allocated for 'site preparation', ' surface casing pipe', 'setting and pulling casing', ' 'casing left in hole', 'cement, drill mud and additives', 'core boxes', 'sample sacks', 'fire assays', 'recheck of sample pulps'. We will exceed 'hammer drilling', 'core drilling', 'preparing samples', and 'geochemical analyses'. If these requests are allowed, operator will utilize the full amount of the contract in carrying Hole 14 to estimated complation....."

Therefore, our request is not just to transfer a certain amount to 'hammer drilling', but to transfer all unused amounts to 'hammer drilling', 'core drilling', and 'preparing samples' and 'geochemical analyses', so that the full amount of the contract will be utilized. As advised in that report, we are carrying Hole 14 to completion at our sole expense, beyond the contract amount. We, herewith, respectfully reiterate that request.

As of this date Hole 14 is at 924'. We expect to go to at least 1,089' this next week. The present depth indicates that if the vein is there it exceeds 85° dip. We are still in intermittent

heavy oxidation, all fractures being oxidized, so believe continuation is advisable.

Somewhat unfortunately, I will be leaving tomorrow on a two week trip, but will keep in daily contact here by phone. I will be back on March 19th, and shortly after expect to make a full report to you.

With best personal regards.

Yours very truly,

MYSTIC MINING COMPANY

A. C. Harding

A. C. Harding

cc: ✓

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225
Office of Minerals Exploration
Building 53 Room 28

IN REPLY REFER TO:

February 26, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 1 1973
INITIALS | CODE
Cac 1120
HK ~~1120~~
BW

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Transmitted herewith is an original and two copies of the Operator's Monthly Voucher for February 1973, with accompanying narrative, maps, drill logs, cross sections, assay results and statements substantiating payment of the work completed to date.

The Operator was given verbal and written approval to drill proposed hole No. 14 some 100 feet northeast of hole No. 13 as other previously-drilled holes indicated that the main vein is dipping more steeply than it was originally thought to be. Some assay results were submitted for payment from drill hole No. 14, but should be deleted as the Operator has not completed nor has he yet been billed by the drilling contractor for footage drilled in hole No. 14.

The Operator is reclaiming for footage drilled in holes C and E that was deleted from his January voucher as having been drilled prior to the execution of the contract, however in reviewing the docket material it was found that holes C and E were drilled during January 1973 but were drilled without prior government approval by the Operator, when Holes 11 and 12 indicated that the vein was dipping more vertically than previous data had indicated, consequently holes drilled further away from the vein would be to of no avail. It is recommended that the footages drilled in holes C and E be allowed, and payment for them is so recommended, however the total footage claimed for hammer drilling is in excess of the total amount allowed under the contract or 1200 feet. In order to allow payment of footages drilled in excess of 1200 feet the contract must be amended by transferring other unused costs to hammer and core drilling. This will

have to be requested by the Operator, and I have mentioned this to him in a telephone conversation, however he has not yet requested such an amendment to the contract. The Operator has utilized all but $5,400.00 of his actual costs allowed which included nearly $500.00 claimed in this voucher for sample analyses work including sample preparation, geochemical analyses and rechecks of some analyses that are indicative of possible ore grade material. There is a total of $1,557.00 available for transfer to drilling footage, as the costs of the items for site preparation, surface casing pipe, casing left in hole, additives and cardboard boxes remain unused. There is a total of approximately $5,000.00 that could be transferred to either hammer and/or core drilling by amending the contract from the other units to satisfy the drilling requirements, if it is so warranted. I have written the Operator concerning this possibility.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 14 1973

INITIALS	CODE
Cae	120M
HK	120
[illegible]	BW

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Amount Claimed:	Differences (Explained Below)	Amount Approved
$ 12,547.73	$ 5,306.75	$ 7,240.98 $ 5,430.74 (75%)
Bu. Voucher No.	**Payee's Invoice No.**	**Period**
	Docket #6879 Contract #2308	February 1973

EXPLANATION

Actual Costs

Category (1)

Hammer Drilling		
Claimed - Holes 13, C, E, and F	$ 5,615.00	
Allowed - Hole 13 only. Contract has not yet been amended to allow payment for holes C, E, and F.	1,505.00	4,110.00
Category (7)		
Sample Preparation		
Claimed - Holes 13, C, E, and F	216.00	
Allowed - Hole 13 only	35.00	181.00
Geochemical Analysis		
Claimed - Holes 13, C, E, and F	1,026.00	
Allowed - Hole 13 only	166.25	859.75
Recheck Analysis		
Claimed - Holes 13, C, E, and F	165.00	
Allowed - Hole 13 only	9.00	156.00
		5,306.75

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement. BMF

Branch of Budget and Finance

9-1648
CH. 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

HK 3/23/73

OPERATOR'S MONTHLY VOUCHER

For Month of February 1973

Docket No. OME- 6879 2308
Contract 14-08-0001
Contract Amount $ 27,000.00
Gov't. Participation % 75 $ 20,250.00

Operator's Name MYSTIC MINING COMPANY
Address 10726 Hatcher Rd., Sun City, Ariz, 85351

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Category (1) Independent Contracts								
Drilling		$		$		$		$
Mobilization	-	-	½	100.00	—	—	½	100.00
*Hammer drilling	1,123'	5,615.00	1,670'	8,350.00	301	1505.00	848'	4,240.00
Core drilling	377'	3,675.75	810'	7,897.50	377	3675.75	810'	7,897.50
Setting & Pulling Casing	3 Hrs.	60.00	8 Hrs.	205.00	3	60.00	3	60.00
Category (7)								
Sample preparation	216	216.00	319	319.00	35	35.00	138	138.00
Geochem. Analyses	216	1,026.00	319	1,515.25	35	166.25	138	655.50
Recheck Analses	55	165.00	61	183.00	3	9.00	9	27.00
Sample sacks	112	14.98	974	170.88	112	14.98	974	170.88
Fixed Unit Costs								
Category (2)								
Supervisor	1 mo.	1,000.00	2 mo.	2,000.00	1	1,000.00	2	2,000.00
Sampler	1 mo.	500.00	2 mo.	1,000.00	1	500.00	2	1,000.00
Payroll taxes	1 mo.	225.00	2 mo.	450.00	1	225.00	2	450.00
Office expense	1 mo.	50.00	2 mo.	100.00	1	50.00	2	100.00
TOTALS		$2,547.73		$22,290.63		$7,240.98		$16,983.88

*Includes reclaim for items deducted from January voucher:
Hole C - 265'
Hole E - 285'
550' - $2,750.00
(statement attached)

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 2-17-73 *Payee A. C. Harding Mystic Mining Co.

Per A.C. Harding Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Nader OME Field Officer Date 2/23/73

(63) 14X0804

Approved for: $ 5,430.74
(SUBJECT TO AUDIT)

Signature 23m7

Date 14 MAR 1973

R 3186 A
Voucher No.

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS
131771	1/ Allow only $1,505.00 for 301 ft as Holes C, E, and F are not yet allowable. Contract may be amended to allow payment for these holes on balance of Hole #4 not completed. GMA & HK 2/ Sample preparation: Allow only $35.00 as there is no claim for Drill hole #1 footage. Holes C, E, and F not yet allowable GMA & HK 3/ Geochemical analyses: allow only $166.25 as there is no claim for Drill hole #1 footage. Holes C, E and F are not yet allowable. GMA & HK 4/ Petrech analyses: Allow only $9.00 as there is no claim for Drill hole #1 footage and Holes C, E and F are not yet allowable. GMA & HK.

RECEIVED
U.S. GEOLOGICAL SURVEY
MAR 6 8 04 AM
BUDGET & FINANCE

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Amount Claimed:	Differences (Explained Below)	Amount Approved
$ 12,592.90	$ 2,850.00	$ 9,742.90 $ 7,307.17 (75%)
Bu. Voucher No.	**Payee's Invoice No.**	**Period**
	Docket #6875 Contract #2308	January 1973

EXPLANATION

Actual Costs

Category (1)

Mobilization		
Claimed - entire amount for mob and demob	$ 200.00	
Allowed half for mobilization only	100.00	100.00
Hole "C"		
Claimed	1,325.00	
Allowed (prior to execution of contract)	-0-	1,325.00
Hole "E"		
Claimed	1,425.00	
Allowed (prior to execution of contract)	-0-	1,425.00
		2,850.00

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

bmf

Branch of Budget and Finance

TEST HOLES

DIAMOND CORING

Wayne Shelton Drilling Co.

P.O. BOX 13431
PHOENIX, ARIZONA 85002
947-1709

FEBRUARY 5, 1973

Mystic Mining Company
10726 West Hatcher Road
Sun City, Arizona 85351

HOLE # 13

0 to 301 feet - 301 feet @ $5.00 per foot $1505.00

301 to 678 feet - 377 feet @ $9.75 per foot $3675.75

3 hours rig time running, setting, and pulling casing . . . . . $ 60.00

TOTAL $5240.75

THANK YOU

CERTIFIED TRUE COPY

G. C. Harding

Pd. 2/12/73
ck. # 176

TEST HOLES DIAMOND CORING

Wayne Shelton Drilling Co.

P.O. BOX 13431
PHOENIX, ARIZONA 85002
947-1709

February 16, 1973

Mystic Mining Company
10726 West Hatcher Road
Sun City, Arizona 85351

HOLE F

0 to 272 feet - 272 feet @ $5.00 per foot $1,360.00

TOTAL $1,360.00

THANK YOU

True Certified Copy
O. C. Harding

INVOICE

Invoice No.
C 1479

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

Account With:

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona

PURCHASE ORDER •

DATE • January 30, 1973

LAB. NO. • 3804

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
		13-7 to 13-493-497		
	25	Sample Preparations	1.00	$ 25.00
	25	Geochemical Analysis	4.75	118.75
	3	Reruns	3.00	9.00
				$152.75
		CERTIFIED TRUE COPY A.C. Harding		

Pd. 2/12/73 chk #175

INVOICE

Invoice No.
C 1510

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

Account With:

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

PURCHASE ORDER •

DATE • February 2, 1973

LAB. NO. • 3823

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
		13-604' to 639'		
	7	Sample Preparations	1.00	$7.00
	7	Geochem Assays	4.75	33.25
				$40.25
		CERTIFIED TRUE COPY G.C. Harding		

Pd 2/12/73
Chk #175

INVOICE

Invoice No.
C 1524

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

ccount With:

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona

PURCHASE ORDER •

DATE • February 5, 1973

LAB. NO. • 3831

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
	3 ea.	Gold, Silver, Copper, Lead, Zinc Geochem Analysis + Sample Prep. (13-639-657.5)	5.75	$17.25

Helen
4.75
3
14.25
3.00
17.25

pd. 2/12/73
chk. #175

CERTIFIED TRUE COPY

A.C. Harding

INVOICE

Invoice No.
C 1426

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

Account With:

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

PURCHASE ORDER .

DATE . January 18, 1973

LAB. NO. . 3765

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
		C-3.6 to C-53		
	50	Sample Preparations	1.00	$ 50.00
	50	Geochemical Assays	4.75	237.50
	29	Reruns	3.00	87.00
				$374.50

pd. 1/24/73
chk. # 173C

CERTIFIED TRUE COPY

G.C. Harding

INVOICE

Invoice No.
C 1450

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

Account With:

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

PURCHASE ORDER •

DATE • January 23, 1973

LAB. NO. • 37660

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
		E-7 to E-57		
	51	Sample Preparations	1.00	$ 51.00
	51	Geochemical Analysis	4.75	242.25
	11	Reruns	3.00	33.00
				$~~362.25~~
		pd. 1/29/73 chk. # 1730		326.25
		CERTIFIED TRUE COPY A.C. Harding		

INVOICE

Invoice No.
C 1564

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

Account With: Mystic Mining Company
10726 Hatcher Road
Sun City Arizona 85351

PURCHASE ORDER •

DATE • February 15, 1973

LAB. NO. • 3757

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
	80	Sample Preparations 14-2 to 14-53 F-1 to F-54	1.00	80.00
	80	Geochem Assays	4.75	380.00
	12	Reruns	3.00	36.00
		Total due		$496.00
		CERTIFIED TRUE COPY A.C. Harding		

W. JAQUAYS MINING & CONTRACTORS EQUIPMENT CO.

- Acker Drilling Equipt.
- Atlas Explosives
- Darda Rock Splitter
- Dayco Rubber Products

1219 SOUTH 19th AVENUE • PHOENIX, ARIZONA 85009
Phones
(Area Code 602) Phoenix 254-6494
Globe 425-2621 • Tucson ENTERPRISE 236

- Halco Equipt.
- Timken Bits
- Warren Rupp Pumps
- Worthington Equipt.

D MYSTIC MINING CO.
10726 HATCHER ROAD
SUN CITY ARIZ

Date JAN 18, 1973

Customer's Order No.

Terms

O	SHIP DATE	SHIP VIA	FOB

ORD	PART NO.	DESCRIPTION	QTY. SHIPPED	UNIT	AMOUNT	
00		12x18 PLASTIC SAMPLE BAG	100	12	12	00
2		22x34 — — —	12	20	2	40
					14	40
						58
		Paid by Check 170			14	98
		TRUE CERTIFIED COPY				
		A.C. Hardy				

ERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF AND BUYER EXPRESSLY WAIVES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY, FITNESS, OR OTHERWISE.

No claims allowed unless made within ten days after receipt of goods. If order is filled correctly, goods cannot be returned without our consent. A service charge plus transportation costs will be charged on goods returned. A Finance Charge of 1% per month charged on past due amounts. This represents an Annual Percentage rate of 12%. Purchaser further agrees to pay all collection costs, including reasonable attorney's fee. Title passes only when payment received in full.

REC'D BY

INVOICE NO.

02939

SUB TOTAL	
SALES OR USE TAX	
TRANS.	
TOTAL	

FOR SERVICE BUY FROM YOUR LOCAL DISTRIBUTOR

PACKING SLIP

Office of Minerals Exploration
Building 53 Room 28

February 26, 1973

OFFICIAL COPY
MAR 1 1973

Mr. Albert C. Harding
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Cac 120 M
HK ~~120~~
BW

Re: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. Harding:

I have processed your Operator's Monthly Voucher for the month of February, 1973, and have referred it to Washington with recommendations to pay only a portion of your claimed costs. I have allowed the following costs, because of the reasons stated below.

I informed you on the phone last week that you could reclaim the footage for holes C and E, and I have recommended that 653 feet of that drilling be allowed as justifiable footage, however, the total footage claimed by you (1,123 feet) brings the total hammer drilling footage above the allowable total footage of 1,200 feet. Additional hammer drilling footage can only be allowed if you request that the contract be amended to allow the transfer of unused funds from items such as site preparation, surface casing left in hole, additives, drilling mud, etc., and cardboard boxes totalling $1,557.00, as well as some of the balance from items not completely used, such as recheck analyses, fire assays, setting and pulling casing, totalling some $3,539.00. There is a total of approximately $5,000.00 that may be transferred to hammer drilling, and therefore allow for the payment of an additional 1,000 feet over the allowed 1,200 feet. If you will request that the contract be amended so that this amount can be transferred as suggested, we will make recommendations to our Washington office for their consideration. Please make the request in duplicate.

Sincerely yours,

cc: Chief, OME ✓
OME-6879
OME chron
Mr. Hasler

J. William Hasler (mc)

J. William Hasler, Field Officer, Region III
Office of Minerals Exploration

Office of Minerals Exploration
Building 53 Room 28

February 7, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 9 1973
INITIALS | CODE
CAC | 120
HK | 120
Rw | 130

Mr. Albert C. Harding
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. Harding:

This letter constitutes written approval for you to relocate proposed drill hole No. 14 from its presently proposed site, as shown on the map attached to the subject contract, to a point approximately midway between holes B and C, and 60 feet south of and normal to a line along holes B, C and E.

During our telephone conversation on February 5, 1973 you reported rather unfavorable results from drill hole No. 13 as to whether or not the hanging wall structure had been penetrated at a depth of 608 feet, and you indicated that the structure may still have steepened to about a 71° dip to the southwest. You also reported that there was considerable iron oxide material, mostly oxidized or iron stained schist between 604 and 639 feet, rather than any distinct identifiable gangue mineral such as calcite, quartz, or oxidized lead, zinc, silver or other minerals. You also indicated that assay results were not good, consequently Hole No. 14 as originally proposed is now too far southwest of the vein to penetrate it at a reasonable depth should the structure be dipping more steeply than was previously indicated.

It is advisable to relocate Hole No. 14 to its newly proposed location as shown on the accompanying map, hoping that the hanging wall structures will be penetrated at a depth of about 350 feet. Should the hanging wall structure not be penetrated by the time the hole has reached a

depth of 400 feet, samples taken of any mineralized or iron oxide zones that look promising should be analyzed and an appraisal of the results of Hole No. 14 to a depth of 400 feet should be made. Recommendations will then be made as to whether or not additional drilling is warranted. Any further drilling will be made only with prior Governmental approval.

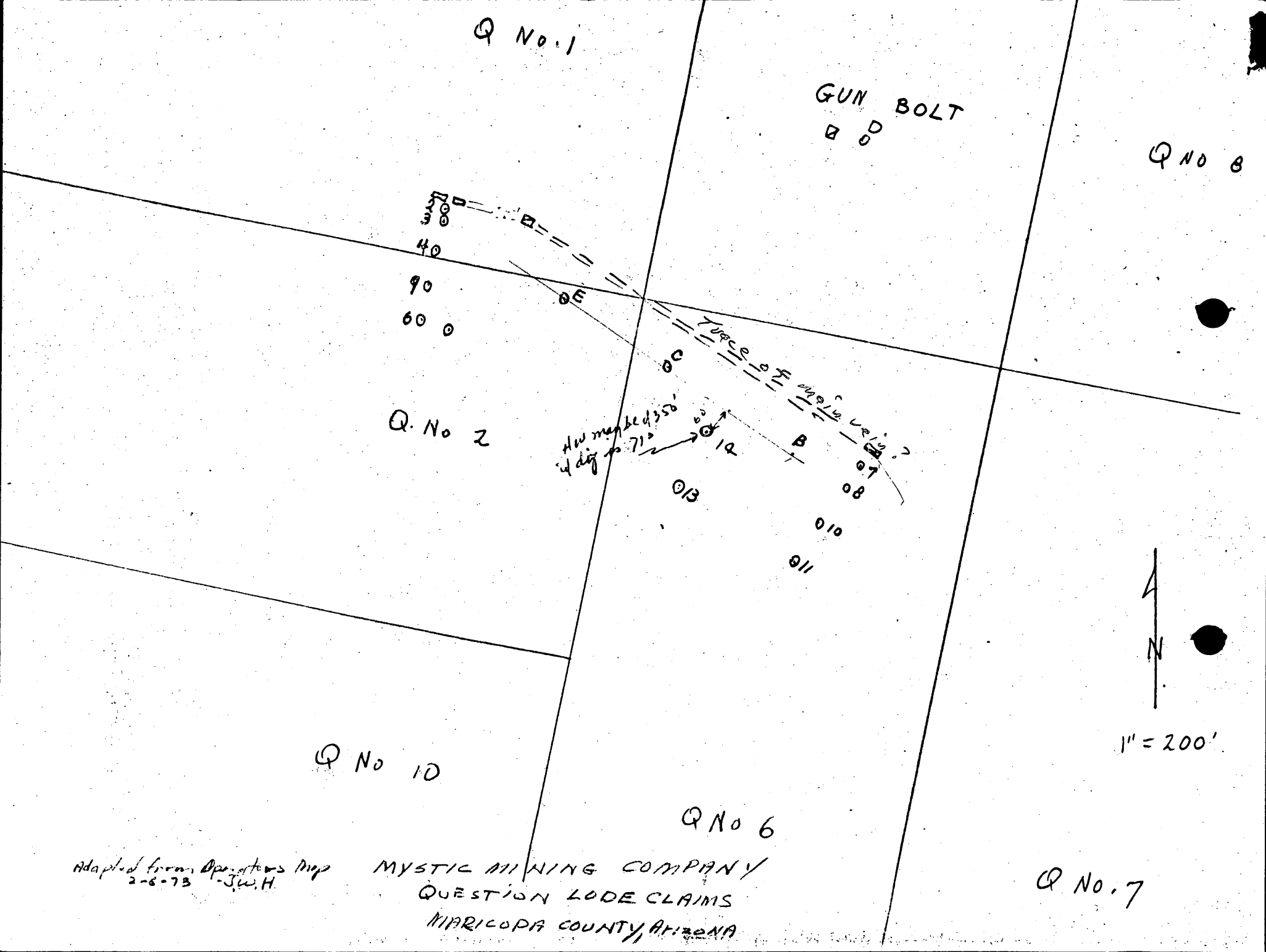
Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

cc: Chief, OME
OME-6879
OME chron
Mr. Hasler



Adapted from Operators Map
2-6-73 -J.W.H.

MYSTIC MINING COMPANY
QUESTION LODE CLAIMS
MARICOPA COUNTY, ARIZONA

Office of Minerals Exploration
Building 53 Room 28

February 5, 1973

Mr. Albert C. Harding
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

COPY
O. M. E.
FEB 8 1973

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Group of Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. Harding:

The voucher you prepared for the period to January 18th, 1973 was suitable for processing, however it would be easier to process subsequent vouchers if you would follow the enclo•ed sample.

Your voucher did not include "setting and pulling casing" as a separate item, but it was included in the drilling footage figure. The contract lists under Actual Costs each item, such as mobilization, hammer drilling, core drilling, setting and pulling casing etc. etc. and each item should be billed as shown in the contract.

Sincerely yours,

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

cc: Chief, OME
OME chron
Mr. Hasler
OME-6879

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

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O. M. E.
RECEIVED
JAN 29 1973
EXTENSION CODE
Cal 120m
~~130~~
120
Rev. B-W

January 26, 1973

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Group of Claims
Maricopa County, Arizona
Contract 2308

Transmitted herewith is an original and two copies of the Operator's Monthly Voucher for the period ending January 18, 1973, with accompanying maps, drill logs, narrative report, assay results, and statements substantiating payment of work completed under the contract to date.

The Operator was given verbal approval on January 16, 1973 to move the originally proposed site drill hole No. 13 to a location nearer the surface outcrop of the northwest striking vein, based upon data obtained from holes B and C paralleling the vein northwest of hole No. 8 on the east line of holes. It is more advantageous to drill hole No. 13 nearer the outcrop on the projected outcrop as shown on the 1" = 200 feet map accompanying this letter rather than attempt to penetrate it farther down dip as holes 11, 12, and holes B, C and E now indicate that the vein may dip more steeply than previously expected. The costs claimed in the accompanying voucher are recommended for payment, as indicated.

Enclosed are two copies of an Amendment to the Mining Option, and Lease Agreement between N. O. White, Florette White, and Richard White ("lessors") and A. C. Harding and Leith Pike doing business as Mystic Mining Company ("lessors") and A. C. Harding and Leith Pike doing business as Mystic Mining Company ("lessees"), concerning the Gun Bolt Lode mining claim for your perusal and file.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

1648
68

OFFICIAL COPY

O. M. E.
FEB 5 1973

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME Region III
RECEIVED
JAN 24 1973
Denver, Colorado

Raw 1-30-73

OPERATOR'S MONTHLY VOUCHER

Period ending
For Month of Jan. 18, 1973

Operator's Name: Mystic Mining Company
Address: 10726 Hatcher Rd., Sun City, Ariz. 85351

Project No. OME- 6879
Contract No. 2308
Contract Amount $ 27,000.00
Gov't. Participation % 75 $ 20,250.00

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Category (1)-Independent		$		$		$		$
Contractor - Drilling								
Mobilization		200.00		200.00	½	100.00	½	100.00
Hole #12 429'		2,880.00		2,880.00	429	2,880.00	429	2880.00
Hole #11 551'		4,221.75		4,221.75	511	4221.75	511	4221.75
Hole 'C' 265'		1,325.00		1,325.00	—	—	—	—
Hole 'E' 285'		1,425.00		1,425.00	—	—	—	—
1,530'		10,051.75		10,051.75				
Category (7)								
Sample sacks		155.90		155.90	862	155.90	862	155.90
Laboratory Analyses		610.25		610.25		610.25		610.25
		766.15		766.15				
Unit Costs								
Supervisor	1	1,000.00	1	1,000.00	1	1,000.00	1	1,000.00
Sampler	1	500.00	1	500.00	1	500.00	1	500.00
PR Taxes	1	225.00	1	225.00	1	225.00	1	225.00
Office Expense	1	50.00	1	50.00	1	50.00	1	50.00
		1,775.00		1,775100				
				Recap by H. Kirkland			3/2/73	
				Hammer Drilling	547	2735.00	547	2735.00
				Core Drilling	433	4221.75	433	4221.75
				Sample prep.	103	103.00	103	103.00
				Geochem. analy	103	489.25	103	489.25
				Reruns	6	18.00	6	18.00
TOTALS		$ 12,592.90		$12,592.90		$9,742.90		$ 9,742.90

I certify that the above bill is correct and just and that payment therefor has not been received. A. C. Harding

Date Jan. 20, 1973 *Payee Mystic Mining Co.

Per A. C. Harding Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature J. William Hasler OME Field Officer Date 1/26/73

(63) 14X0804

Approved for: $7,307.17 (SUBJECT TO AUDIT)

Signature 28m7

Date FEB 2 1973 Voucher No. 03887A

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS
106116 RECEIVED U.S. GEOLOGICAL SURVEY JAN 31 2 35 PM '13 BUDGET & FINANCE	1/ Allow only $100.00 just for Mobilization, and Demobilization GHH 2/ This figure includes setting + pulling casing, okay to allow GHH 3/ This figure includes setting a [illegible] casing, okay to allow. GHH 4/ This figure includes Sample preparation $103.00 Geochem Analysis 489.25 Sample [illegible] 18.00 Okay to allow GHH $610.25 Disallow costs for holes "C" and "E" GHH

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials of services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: **Mystic Mining Company**
10726 Hatcher Road
Sun City, Arizona 85351

Amount Claimed:	Differences (Explained Below)	Amount Approved
$ 12,592.90	$ 2,850.00	$ 9,742.90 $ 7,307.17 (75%)
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket #6875 Contract #2308	January 1973

EXPLANATION

Actual Costs

Category (1)

Mobilization		
Claimed - entire amount for mob and demob	$ 200.00	
Allowed half for mobilization only	100.00	100.00
Hole "C"		
Claimed	1,325.00	
Allowed (prior to execution of contract)	-0-	1,325.00
Hole "E"		
Claimed	1,425.00	
Allowed (prior to execution of contract)	-0-	1,425.00
		2,850.00

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

bmf

Branch of Budget and Finance

INVOICE

Invoice No. C 1287

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

ccount With: Mystic Mining Company
10720 Hatcher Road
Sun City, Arizona 85351

PURCHASE ORDER

DATE December 12, 1977

LAB. NO. 3567

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
		Geochemical Analysis on samples 11-8 thru 12-17		
	24	sample preparations	1.50	36.00
	26	gold, silver, copper, lead & zinc determinations	4.75	123.50
	2	blanks	3.50	7.00
		CERTIFIED TRUE COPY A.C. Harding		$155.50

INVOICE

Invoice No. C 1299

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

ccount With: Cryptic Mining Company
[illegible] Fletcher Road
Sun City, Arizona [illegible]

PURCHASE ORDER •

DATE • December 13, 197[illegible]

LAB. NO. • 3588 (spec) 3589

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
	1	spectrographic analysis (sample 12-13)		6.00
	24	sample preparations 12-20 samples to 12-58	1.00	24.00
	24	geochemical samples for gold, silver, copper lead and zinc	4.75	114.00
				$144.00
		CERTIFIED TRUE COPY A.C. Harding	Spectrograph —	8.00
				138.00

INVOICE

Invoice No. C 1250

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

count With: Mythic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

PURCHASE ORDER

DATE December 19, 1972

LAB. NO. 3632

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
		Ore Samples 12-215-345 thru 12-415-429 for geochemical analysis		
	17	sample preparations	1.00	17.00
	17	ea. au, ag, cu, pb, zn determinations	4.75	80.75
				97.75
		CERTIFIED TRUE COPY	#1232	26.00
		A. C. Harding		123.75

pd. chk #1636 12-30-72

INVOICE

Invoice No. 1232

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

Account With: Arctic Mining Company
Attn: [illegible]
Sun City, Arizona 85351

PURCHASE ORDER

DATE December 15, 1972

LAB. NO. 3614

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
	4	sample preparations 12-287-295, 2-15-30-25, 2-17-3-2-25, 30-5-31	1.00	4.00
	4 (samples)	geochemical determinations, au,ag,cu,pb,zn	4.75	19.00
	1	re-run	3.00	3.00
				$26.00

CERTIFIED TRUE COPY
A. C. Harding

Pd Ck #1636 12-30-72

INVOICE

Invoice No.
C 1375

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

ccount With: Mystic MIning Company
10726 Hatcher Road
Sun City, Arizona 85351

PURCHASE ORDER .

DATE January 5, 1973

LAB. NO. 3702

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
		samples 11-386 thru 11-444		
	12	sample preparations	1.00	12.00
	12	geochemical determinations, au, ag, cu, pb,zn	4.75	57.00
				$69.00

CERTIFIED TRUE COPY
A.C. Harding

INVOICE

Invoice No.
C 1385

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

ccount With: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

PURCHASE ORDER •

DATE • January 8, 1973

LAB. NO. • 3713

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
		samples 11-444-500		
	11	sample preparations	1.00	11.00
	11	geochemical determinations, au, ag, cu, pb, zn	4.75	52.25
	3	reruns	3.00	9.00
		CERTIFIED TRUE COPY A.C. Harding		$ 72.25

INVOICE

Invoice No. C 1398

Arizona Testing Laboratories

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.

817 West Madison · Phoenix, Arizona 85007 · Telephone 254-6181

ccount With: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

PURCHASE ORDER .

DATE .January 10, 1973

LAB. NO. .3725

PLEASE PAY FROM THIS INVOICE • STATEMENT UPON REQUEST

DATE	QUANTITY	ITEMS	UNIT PRICE	AMOUNT
		~~samples 11-500 thru 11-544~~		
	9	grinding charges	1.00	9.00
	9	geochemical samples for au, ag, cu, pb, zn,	4.75	42.75
				$51.75

CERTIFIED TRUE COPY
A.C. Hardley

W. JAQUAYS MINING & CONTRACTORS EQUIPMENT CO.

- Acker Drilling Equipt.
- Atlas Explosives
- Darda Rock Splitter
- Dayco Rubber Products

1219 SOUTH 19th AVENUE • PHOENIX, ARIZONA 85009
Phones
(Area Code 602) Phoenix 254-6494
Globe 425-2621 • Tucson ENTERPRISE 236

- Halco Equipt.
- Timken Bits
- Warren Rupp Pumps
- Worthington Equipt.

MYSTIC MINING Co.
10726 HATCHER ROAD
SUN CITY ARIZ

Date JAN 18, 1973

Customer's Order No.

Terms

SHIP DATE	SHIP VIA	FOB

OR'D	PART NO.	DESCRIPTION	QTY. SHIPPED	UNIT	AMOUNT	
0		12X18 PLASTIC SAMPLE BAG	100	12.	12	00
2		12X34 — — —	12	20	2	40
					14	40
						58
		Paid By Check #170			14	98
		CERTIFIED TRUE COPY				
		A.C. Harding				

RE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF AND BUYER EXPRESSLY WAIVES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY, FITNESS, OR OTHERWISE.

No claims allowed unless made within ten days after receipt of goods. If order is filled correctly, goods cannot be returned without our consent. A service charge plus transportation costs will be charged on goods returned. A Finance Charge of 1% per month charged on past due amounts. This represents an Annual Percentage rate of 12%. Purchaser further agrees to pay all collection costs, including reasonable attorney's fee. Title passes only when payment received in full.

REC'D BY

SUB TOTAL	
SALES OR USE TAX	
TRANS.	
TOTAL	

INVOICE NO. 02939

FOR SERVICE BUY FROM YOUR LOCAL DISTRIBUTOR

INVOICE

EST HOLES

DIAMOND CORING

Wayne Shelton Drilling Co.

P.O. BOX 13431
PHOENIX, ARIZONA 85002
947-1709

January 11, 1973

stic Mining Company
726 West Hatcher Road
n City, Arizona 85351

HOLE # 11

) to 258 feet - 258 feet @ $5.00 per foot . . . . . $1,290.00 OK JWK
3 to 551 feet - 293 feet @ $9.75 per foot of NQ Core . . . . . $2,856.75 OK JWH
hours pulling, running and cementing casing @ $25.00 per hour . $ 75.00 OK JWH

AL $4,221.75

THANK YOU

CERTIFIED TRUE COPY
A.C. Harding

TEST HOLES DIAMOND CORING

Wayne Shelton Drilling Co.

P.O. BOX 13431
PHOENIX, ARIZONA 85002
947-1709

December 18, 1972

Mystic Mining Company
10726 West Hatcher Road
Sun City, Arizona 85351

Mobilization . . . . . $ 200.00 allow 1/2 for mobilization

HOLE #12

0 to 289 feet - 289 feet of hammer drilling @ $5.00 per foot . $1,445.00 ok Jeff

289 to 429 feet - 140 feet of NQ coring @ $9.75 per foot . . . $1.365.00 ok Jeff 2,880.00

2 hours running casing @ $35.00 per hour . . . . . $ 70.00 ok Jeff

TOTAL $3,080.00

THANK YOU

CERTIFIED TRUE COPY
A.P. Hardwig

TEST HOLES

DIAMOND CORING

Wayne Shelton Drilling Co.

P.O. BOX 13431
PHOENIX, ARIZONA 85002
947-1709

January 14, 1973

Mystic Mining Company
10726 West Hatcher Road
Sun City, Arizona 85351

HOLE # C

0 to 265 feet - 265 feet @ $5.00 per foot $1325.00

THANK YOU

CERTIFIED TRUE COPY

A.C. Harding

TEST HOLES DIAMOND CORING

Wayne Shelton Drilling Co.

P.O. BOX 13431
PHOENIX, ARIZONA 85002
947-1709

January 17, 1973

Mystic Mining Company
10726 West Hatcher Road
Sun City, Arizona 85351

HOLE # E

0 to 285 feet - 285 feet @ $5.00 per foot $1425.00

THANK YOU

CERTIFIED TRUE COPY
A.C. Harding

LOGS AND
LABORATORY REPORTS
To Jan. 20, 1973

MYSTIC MINING COMPANY

Docket No. OME-6879
Contract No. 14-08-0901-2308

Note: In each sample number the first number or letter identifies the exploration hole.
The other number or numbers indicates the interval below the surface.
Core drill samples have two such numbers, indicating top and bottom depth of the sample.
Hammer drill samples have one such number, indicating bottom depth when multiplied by 5. Except for samples taken during setting of surface casing, all such samples represent a five foot interval. Example: Sample 'B-16' is from Hole B and represents the sample between 75 and 80'.

"B"

12-4-72 - Hammer Drill

0-15 caliche into gray schist

Set surface casing

0-4	gray schist
5	" "
6	" "
7	last couple feet browner + softer
8	gray - little red
9	" " "
10	darker 46-48'
11	gray - some brown
12	" " "
13	red @ 60' - gray before 65'
14	gray
15	red @ 74' briefly
16	red 80-81'
17	little red at 84'
18	gray
19	some brown at 94'
20	brown-red to 99' - then gray
21	" " to 104' - " "
22	gray - darker at 109'
23	red at 113'
24	brown + gray schist
25	
26	gray
27	redder at 135'
28	some brown oxidation
29	gray schist
30	little red
31	Red + softer at 150'
32	Red
33	"
34	"
35	" finer
36	" fine
37	" little coarser
38	" fine
39	" little gray at end
40	Gray
41	Red again - fine
42	" fine
43	Grayer
44	"
45	" - Finished - 225'

"C"

1-11-73 + 1-12-73 - Hammer Drill

0-15 caliche + lava boulders

Set 20' surface casing

No samples before 25'

0-6	Red
7	Gray
8	"
9	"
10	" Schist
11	Hard gray
12	Gray
13	"
14	"
15	Some brown - last 1' red
16	little red - then brown to gray
17	brownish
18	Red at 88'
19	Lighter at 93'
20	Grayish
21	2' red at 101' - then gray
22	mostly red
23	gray at 111' - then red - looks rhyolitic
24	Hard gray
25	" "
26	Little red - then gray
27	little red - then gray
28	red at 138'
29	change to brown then gray
30	Brown at 148' - red at 149'
31	Red
32	" - lighter
33	last 1' gray
34	gray
35	brown at 172' - then gray
36	Hard gray
37	Mixed brown + gray
38	Brown at 186' - softer
39	Red - brown + gray
40	Brown - very soft
41	Dark brown, soft
42	Red at 205' - brown at 208'
43	Reddish brown
44	Soft red, last 1' black, gouey
45	Red, soft - Mn in 1st 1'
46	Red to brown
47	Red
48	Brown + Red, very soft
49	Red to Brown
50	Harder, reddish, fine
51	Grayer at 253', but brownish
52	Red - black at end - little dust return
53	Red - Had to quit - too damp

"E"

1-17-73 - Hammer Drill

0-13 - caliche to Bedrock
Set 20' Surface casing

E-7	grayish-brown
8	gray-some red
9	brownish
10	brown + gray schist
11	brown
12	Red
13	Red (drilled to 67' instead 65')
14	Red (67'-70')
15	Red- last 1/2' gray
16	Last 4' red
17	Red
18	Reddish brown
19	" " - little gray
20	" "
21	" "
22	Browner
23	Reddish brown
24	little gray-then red-then brown
25	lighter brown
26	Brown to red
27	Brown + red, little gray
28	Gray to brown
29	Brownish (red tint)
30	Brown
31	" - little gray
32	Grayer
33	Some brown
34	Darker brown
35	Brown- softer
36	Brown
37	"
38	4' hard- last 1' soft
39	Brown- last 2' some red
40	Brown
41	Reddish brown
42	" "
43	Brown
44	Grayer
45	Brown
46	at 227', 2' hard gray- then brown + soft
47	3 1/2' hard gray- 1 1/2' soft red
48	gray-brown-red-brown
49	at 243' soft + browner
50	" dark, then brown
E-51	Grayer-- light gray
52	3 1/2' hard gray-then soft red
53	all hard gray
54	3' hard - then 2' soft red
55	2' gray- then red
56	mostly red
57	Gray- had to quit- dampness at 285'

"11"

12-5 + 12-6-72 Hammer Drill to 258'

0-12' - to Red rock
Set 12' surface casing

11-3	(12-15') gray schist
4	gray schist
5	" "
6	" "
7	" "
8	red 35-36'
9	gray schist
10	" "
11	" "
12	redder
13	browner
14	"
15	brown
16	gray
17	"
18	"
19	"
20	"
21	"
22	"
23	"
24	"
25	"
26	"
27	"
28	"
29	"
30	"
31	"
32	"
33	"
34	"
35	"
36	"
37	"
38	"
39	Some brown
40	" "
41	" "
42	gray
43	"
44	"
45	browner
46	gray
47	"
48	brown + soft at 137'
49	" "
11-50	redder + soft
51	brown + damp - no dust - Quit at 2

12-19 to 1-9-73 Core Drill to 551'

258'-306'	Gray schist
306'-351'	" " - calcite in fractures
351-393	" "
393-394	Red streak
394-426	Gray schist
426-429	Red streak - some Mn
429-452	Red + very calcitic
452-453½	Gouge
453½-466	Red - calcitic - effervesces with HCL
466-476	Similar but more Mn (blacker) very oxidized
476-479	Similar - but more schisty
479-482	More Mn
482-499½	Fractured schist - very oxidized - calcitic more gouge
499½-504	Similar
504-513½	Gray schist
513½-528½	Red - calcitic (526-529 rhyolite? no effervescence)
528½-533½	Oxidation in schist (gray)
533½-536½	Red - calcitic - effervesces HCL
536½-539	Similar
539-551	Gray schist

"12"

12-6 to 12-8-72 Hammer Drill

Set 101' surface casing

12-3	Dark- diabasic ?
4	Schist ?
5	thin red streak @ bottom
6	Diabasic ?
7	"
8	"
9	last 1' red
10	2' red
11	bottom 6" red
12	browner
13	Gray
14	last 2' red
15	Gray- schistose
16	little red
17	" "
18	Gray schist
19	"
20	Red
21	Some red
22	Gray schist
23	"
24	Some red
25	Red
26	"
27	Gray
28	"
29	Red
30	Gray
31	"
32	Some red
33	Gray
34	"
35	"
36	"
37	"
38	Some red
39	Gray
40	Some red
41	Practically all red
42	2' red- then gray
43	Gray
44	last 4' red- fine
45	Brown
46	little brown- then hard gray
47	Gray
48	Gray [illegible] red
49	Last 2' red
12-50	Gray
51	"
52	"
53	"
54	Mixed red + gray
55	Brown
56	Gray- little brown
57	last 1' red
58	Red- dampness - Quit at 290'

12-12 to 12-16-72 Core Drill to 429'

290-294'	Greenish schist
294-302½	Schist with little red
302½-303½	Gouge + quartz
303½-365	Hard gray schist - with some oxidation
365-371	More oxidation
371-373'	Red + friable with Mn
373-375'	Similar
375-383½	Red- lots of calcite (white)
383½-393'	More schistoid, but very oxidized
393'-410'	Dark gray schist - oxidized - with calcite
410'-415'	Redder
415'-421'	Gray schist
421'-425'	Redder - 6" gouge at 425'
425'-429'	Red schist - Calcite

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: December 1, 1972

Lab. No.: 3551

Sample: Ore

Marked: See Below

Received: 12-1-72

Submitted by: same

GEOCHEMICAL ANALYSIS

REPORT OF LABORATORY TESTS

Samples Marked	GOLD	SILVER	COPPER	LEAD	ZINC	NICKEL
1129-1	0.5 ppm	trace	0.74% → Float rock picked up Send to Twin Butte — Several days of prospecting found no more.			
1129-2	nil	nil	50 ppm			
1129-3	nil	1 ppm				
~~1130~~	~~0.1~~	~~1~~	~~105~~	~~45 ppm~~	~~100 ppm~~	~~80 ppm~~
A1.4	nil	1	50	55	410	240
A2.2	nil	1	50	50	450	230
A3	0.1	1	60	35	240	240
A4	nil	1	50	30	200	260
A5	nil	1	40	45	260	270
A6	nil	1	45	40	460	260
A7	0.1	1	60	25	200	240

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: December 4, 1972

Lab. No.: 3556

Samples of Ore received 12-4-72

GEOCHEMICAL ANALYSIS - REPORTED IN PARTS PER MILLION

Sample I.D.	GOLD	SILVER	COPPER	LEAD	ZINC	NICKEL
A8	0.1	1	60	30	25	250
A10	nil	2	35	150	85	205
A12	nil	2	35	95	95	195
A14	nil	1	15	25	30	205
A16	0.1	1	15	25	105	185
A18	nil	1	35	175	55	195
A20	nil	1	30	155	150	195
A22	nil	nil	15	20	25	215
A24	nil	1	20	20	75	195
A26	nil	1	35	20	25	195
A28	nil	1	25	15	65	200
A30	nil	1	15	50	35	155
A32	nil	1	40	50	60	205
A34	nil	1	20	35	25	180
A36	nil	1	15	20	70	185
A38	0.1	nil	40	195	40	55
A39	nil	nil	25	80	20	30
A40	nil	nil	100	80	25	30
A41	nil	1	195	125	100	35
A42	nil	1	60	20	25	25
A44	nil	1	30	10	35	20
A46	nil	1	35	10	15	20
A48	nil	1	40	10	30	25
A50	0.1	1	25	15	20	20
A51	nil	1	70	15	20	20

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: December 7, 1972

Lab. No.: 3561

Samples of Ore marked B7 thru B45.

GEOCHEMICAL ANALYSIS

Sample I.D.	GOLD	SILVER	COPPER	LEAD	ZINC
B7	nil	nil	35 ppm	490 ppm	650 ppm
B8	0.2 ppm	nil	65	320	930
B9	0.4	nil	40	1350	930
B10	0.6	1 ppm	75	1500	0.53%
B11	0.1	nil	40	230	640 ppm
B12	0.1	nil	55	740	970
B13	0.6	nil	30	830	1150
B15	nil	nil	55	80	180
B17	0.1	nil	35	650	1500
B19	0.1	nil	40	770	0.68%
B20	0.1	nil	35	590	1700 ppm
B21	0.3	nil	60	1200	0.43%
B22	0.1	nil	70	960	1250 ppm
B23	0.3	nil	110	770	0.41%
B25	0.2	1	40	630	1500 ppm
B28	nil	nil	50	600	1150
B30	nil	1	90	530	1100
B31	nil	nil	45	1200	1500
B32	0.1	1	85	1000	1900
B33	0.1	1	40	400	600
B34	0.1	1	70	820	0.56%
B35	0.6	2	160	0.72%	1.55%
B36	nil	2	120	0.60%	1.00%
B37	nil	1	40	890 ppm	1200 ppm
B38	0.4	2	250	0.85%	0.98%
B39	0.6	1	130	0.40%	1.02%
B40	0.1	3	75	1300 ppm	3000 ppm
B41	5.3	3	440	1.10%	1.22%
B42	2.2	3	280	0.78%	1.08%
B43	0.2	1	90	1200 ppm	2500 ppm
B44	0.3	3	60	1100	1850
B45	0.5	2	45	1100	2500

Respectfully submitted,
ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: December 12, 1972

Lab. No.: 3587

Sample: Ore

Marked: Samples 11-8 thru 12-17

Received: 12-11-72

Submitted by: Mr. Harding

GEOCHEMICAL ANALYSIS

REPORT OF LABORATORY TESTS

Sample I.D.	GOLD	SILVER	COPPER	LEAD	ZINC
11-8	0.2 ppm	1 ppm	40 ppm	20 ppm	200 ppm
11-12	0.1	1	50	170	580
11-26	0.1	1	55	20	110
11-39	0.1	1	45	760	640
11-40	nil	4	65	740	890
11-45	0.2	1	40	110	600
11-48	nil	1	40	240	940
11-49	nil	1	65	160	670
11-50	0.1	1	70	910	2000
11-51	nil	1	50	330	1200
12-2	0.1	nil	40	60	170
12-3	0.1	nil	65	50	140
12-4	0.1	1	40	190	380
12-5	0.2	1	50	220	680
12-6	0.2	1	60	320	1200
12-7	nil	1	70	200	320
12-8	0.4	1	75	150	410
12-9	0.3	1	90	820	0.41%
12-10	0.3	1	90	550	0.36%
12-11	0.1	1	85	150	400 ppm
12-12	0.2	nil	90	280	1250
12-13	0.1	nil	85	270	900
12-14	0.1	nil	160	440	1300
12-15	0.1	nil	150	280	1100
12-16	nil	nil	170	770	2900
12-17	nil	nil	85	240	480

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: December 13, 1972

Lab. No.: 3589

Sample: Ore

Marked: 12-20 thru 12--58

Received: 12-12-72

Submitted by: same

GEOCHEMICAL ANALYSIS

REPORT OF LABORATORY TESTS

Sample I.D.	GOLD	SILVER	COPPER	LEAD	ZINC
12-20	0.3 ppm	1 ppm	100 ppm	240 ppm	840 ppm
12-21	0.1	1	90	430	1150
12-23	nil	1	90	80	230
12-25	nil	1	120	80	210
12-26	nil	nil	130	160	190
12-29	0.1	nil	240	110	210
12-32	0.1	nil	90	410	860
12-33	0.2	1	90	450	980
12-36	0.2	nil	60	160	790
12-37	0.1	1	50	40	180
12-38	0.1	nil	50	110	180
12-39	0.3	1	70	300	720
12-40	nil	1	50	180	560
12-41	0.2	nil	60	400	550
12-42	0.2	nil	70	290	280
12-43	0.2	nil	50	220	270
12-44	nil	1	80	190	440
12-45	nil	1	50	310	450
12-49	nil	nil	70	70	400
12-53	0.1	1	80	70	330
12-54	nil	1	90	150	250
12-55	nil	1	60	60	130
12-57	nil	1	50	190	340
12-58	0.1	1	40	590	770

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona

Date: December 15, 1972

Lab. No.: 3614

Sample: Ore

Marked: See Below

Received: ----

Submitted by: same

GEOCHEMICAL ANALYSIS

REPORT OF LABORATORY TESTS

Sample I. D.	GOLD	SILVER	COPPER	LEAD	ZINC
12-289-295	0.1 ppm	4 ppm	110 ppm	2300 ppm	1850 ppm
12-295-302.5	0.1	4	220	2700	3000
12-302.5-305.5	0.1	6	160	0.35%	1700
12-305.5-311	0.1	3	170	1050 ppm	950

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: December 18, 1972

Lab. No.: 3632

Sample: Ore

Marked: See Below
Samples 12-315-345 thru
12-425-429

Received: 12-18-72

Submitted by: same

GEOCHEMICAL ANALYSIS
REPORT OF LABORATORY TESTS

Sample I.D.	GOLD	SILVER	COPPER	LEAD	ZINC
12-315-345	Nil	1ppm	80 ppm	200 ppm	170 ppm
12-345-364.5	0.2 ppm	1	55	280	280
12-364.5-369	0.1	1	130	500	290
12-269-371	0.1	1	45	570	590
12-371-375	0.2	1	65	680	1200
12-375-378	0.3	2	65	310	180
12-378-383	0.3	2	90	530	580
12-383-387	nil	1	55	50	170
12-387-391	nil	1	50	50	140
12-391-395	0.1	1	400	25	90
12-395-400	0.1	1	60	25	80
12-400-405	nil	1	80	40	110
12-405-410	nil	1	55	25	100
12-410-415	nil	1	55	40	130
12-415-421	nil	1	70	120	200
12-421-425	0.1	3	25	330	500
12-425-429	nil	1	65	85	130

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean Jr.

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: January 5, 1972

Lab. No.: 3702

Sample: Ore

Marked: 11-386 thru 11-444

Received: 1-5-73

Submitted by: Mr. Harding

GEOCHEMICAL ANALYSIS
REPORT OF LABORATORY TESTS

Samples Marked	GOLD	SILVER	COPPER	LEAD	ZINC
11-386-391	0.1 ppm	1 ppm	100 ppm	210 ppm	320 ppm
11-391-393	0.3	3	140	1100	630
11-393-394	0.1	1	180	1400	810
11-394-400	0.1	1	30	100	250
11-400-406	0.1	2	60	700	540
11-406-411	0.2	1	30	50	160
11-411-416	0.1	1	25	80	210
11-416-426	0.1	1	35	80	310
11-426.5-431	0.1	2	50	450	690
11-431-436	0.1	1	40	210	250
11-436-440	nil	1	35	25	75
11-440-444	nil	2	40	70	180

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: January 8, 1973

Lab. No.: 3713

Sample: Ore

Marked: 11-444 thru 11-500

Received: 1-8-73

Submitted by: Mr. Harding

GEOCHEMICAL ANALYSIS

REPORT OF LABORATORY TESTS

Samples Marked	GOLD	SILVER	COPPER	LEAD	ZINC
11-444-452	0.2 ppm	2 ppm	50 ppm	290 ppm	320 ppm
11-452-456	0.1	2	40	80	260
11-456-461	nil	2	40	250	620
11461-466	0.1	1	100	1900	1600
11-466-471	0.2	2	130	0.42%	0.35%
11-471-476	nil	2	130	1700 ppm	2200 ppm
11-476-479.5	nil	1	190	1000	920
11-479.5-482	0.2	7	280	0.75%	2000
11-482-486	0.1	1	70	530 ppm	650
11-486-492.5	0.1	2	80	930	1000
11-492.5-500	0.2	1	40	150	390

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For: Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Date: January 10, 1973

Lab. No.: 3725

Sample: Ore

Marked: 11-500 thru 11-544

Received: 1-10-73

Submitted by: Mr. Harding

GEOCHEMICAL ANALYSIS

REPORT OF LABORATORY TESTS

Sample I.D.	GOLD	SILVER	COPPER	LEAD	ZINC
11-500-504	0.1 ppm	1 ppm	50 ppm	820 ppm	820 ppm
11-504-509	nil	1	60	450	470
11-509-513.5	nil	1	100	180	180
11-513.5-520	nil	1	60	90	140
11-520-526	nil	1	50	40	70
11-526-529	nil	1	50	20	60
11-529-534	nil	nil	50	90	90
11-534-539	0.1	1	50	50	310
11-539-544	0.1	1	30	30	220

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean Jr.

Claude E. McLean, Jr.

EFFICIENCY® LINE No. 2536

Miyamoto Mining

Position	Sample	2 Au	3 Ag	4 Cu	5 Pb	6 Zn	7	8	9
# 1	C3.6	Mil	1	30	30	45			
2	C-5	Mil	1	45	370	700			
3	-6	0.4	1	45	1000	2500	—		
4	7	.5	2	60	95	190			
5	8	.1	1	50	85	210			
6	9	.1	1	70	100	170			
7	10	Mil	1	60	40	130			
8	11	Mil	1	60	25	70			
9	12	.2	1	100	420	270			
10	13	.2	1	65	130	175			
11	14	.1	1	50	120	520			
12	15	Mil	1	45	170	270			
13	16	Mil	2	40	480	950			
14	17	.1	1	50	630	730			
15	18	1.4	1	80	0.30%	0.31%			
16	19	.5	1	80	0.36%	0.38%	—		
17	20	1.5	1	50	1250	2240			
18	21	.5	1	50	1400	1790			
19	22	.3	1	80	1060	1750			
20	23	.8	2	75	2800	1.09%	—		
21	24	.1	1	60	500	1400			
22	25	.1	1	45	220	500			
23	26	.1	1	70	410	1100			
24	27	.2	1	50	900	0.45%	—		
25	28	.2	1	65	570	1300			
26	29	.9	2	80	470	1530			
27	30	.2	1	45	750	960			
28	31	.1	1	65	1100	1050			
29	32	.2	2	95	830	850			
30	33	.1	2	60	990	1000			
31		—	—	—	—	—			

EFFICIENCY® LINE No. 2636

	Sample	2 Au	3 Ag	4 Cu	5 Pb	6 Zn	7	8	9
31	34	.1	1	65	280	320			
2	35	.1	20	70	420	540			
3	36	—	2	60	90	130			
4	37	.1	2	35	360	590			
5	38	.1	1	30	520	630			
6	39	.1	8	40	780	2200			
7	40	.1	1	35	900	1220			
8	41	.1	1	430	0.53%	2.80%	—		
9	42	.1	1	450	0.37%	1.17%	—		
40	43	.1	2	85	700	1920			
11	44	.1	2	620	0.85%	1.22%	—		
12	45	.1	2	560	1.30%	1.70%	—		
13	46	.3	1	450	0.60%	1.25%	—		
14	47	.2	1	270	0.42%	0.87%	—		
15	48	.1	2	120	0.30%	0.48%	—		
16	49	.1	2	190	0.31%	0.66%	—		
17	50	.1	2	95	2800	0.36%	—		
18	51	.1	2	72	0.39%	0.35%	—		
19	52	.2	2	430	1.85%	1.11%	—		
50	53	.3	2	380	1.80%	1.11%	—		
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									

50 sample prep @ 1 = $50.00

50 geochemical samples @ 4.75 = 237.50

29 reruns @ 3 = 87.00

$374.50

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

January 20, 1973

MYSTIC MINING COMPANY

Docket No. OME-6879
Contract No. 14-08-0901-2308

OME Region
REC
JAN 24 1973
Denver, Colorado

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Building 53 - Room 28
Federal Center
Denver, Colorado 80225

Dear Bill:

Enclosed are four copies, each:

First Narrative Report, dated 1/20/73
(with Plan and Cross-sections)
Laboratory Assay Reports & Hole Logs
Form 9-1648, dated 1/20/73
(copies of invoices attached to original)
Amended lease on Gun Bolt Claim

In summary, all holes to date are still within the oxidized zone. Hole No. 13, now in progress, is a deeper attempt to find either a sulphide or secondary enrichment zone.

Holes B, C. and E (B drilled prior to execution of contract) have definitely established continuity between Hole 8 on the East Line and Hole 3 on the West Line, a lineal distance of 810'. There is surface evidence of extension beyond said lines in both directions. Values for the five metals being tested are considered good for such a heavily oxidized zone:

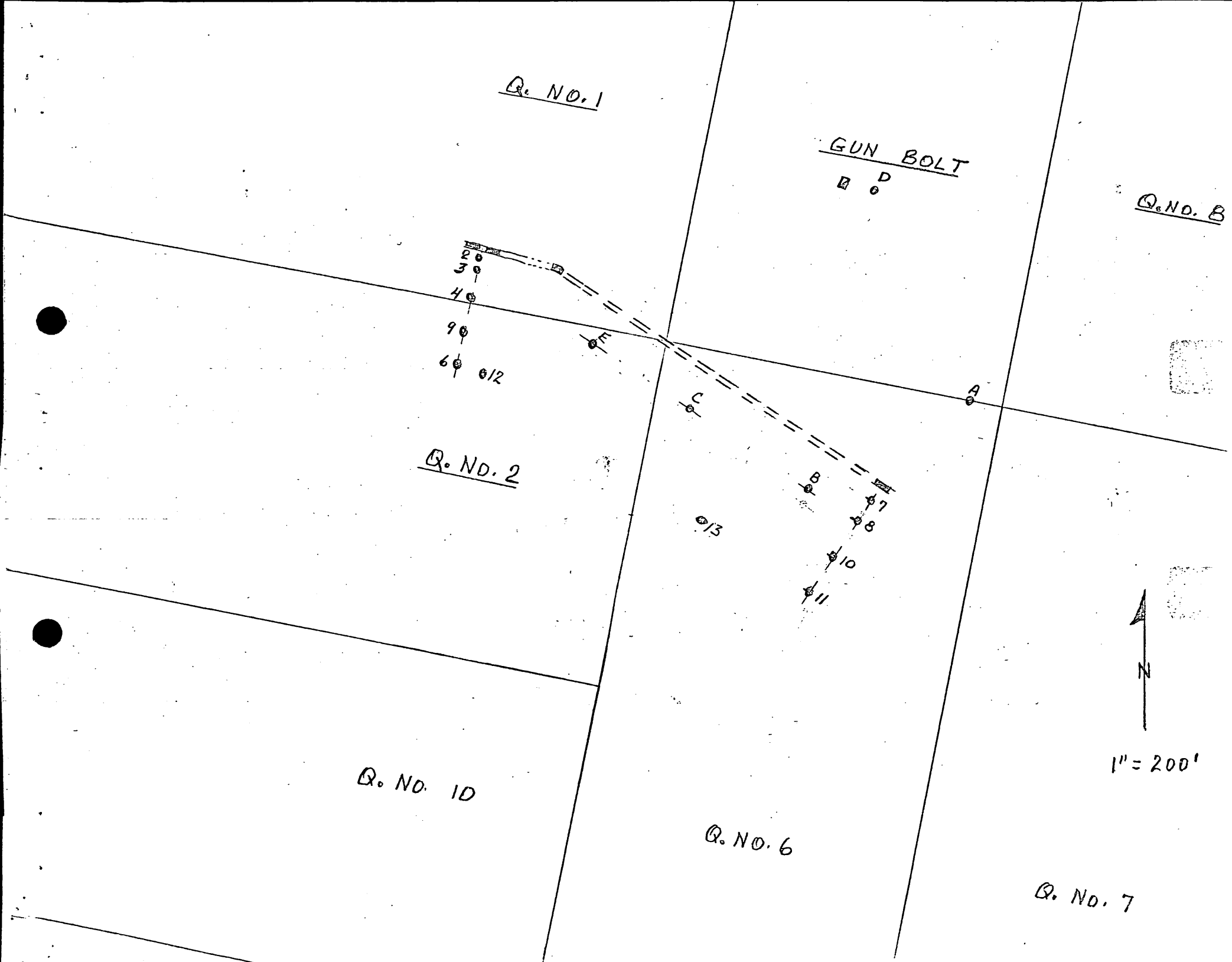
Hole 8	-	30' (175-205)	$3.15 average
Hole B	-	40' (170-210)	7.47 "
Hole C	-	65' (200-265)	6.49 "
Hole E	-	Waiting for laboratory reports - expected to be good	
Hole 3	-	60' (58-118)	7.19 average

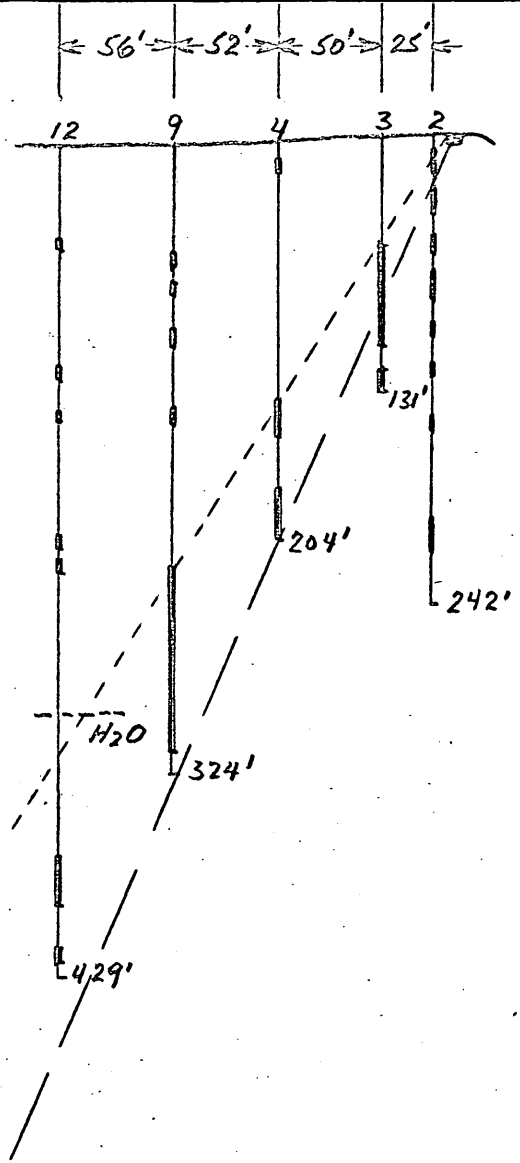
From evidence obtained through Holes B and C, there is reason, as indictaed in the Narrative, to suspect that several of the holes we drilled last spring, as well as Holes 11 and 12 drilled on the contract, were not drilled deep enough. We hope to confirm this with Hole 13. Hole No. 13, if successful, could indicate the probability of at least one million tons. Values in the sulphide zone are not predictable but could be several times the values listed above for the oxidized and leached zone.

With best regards.

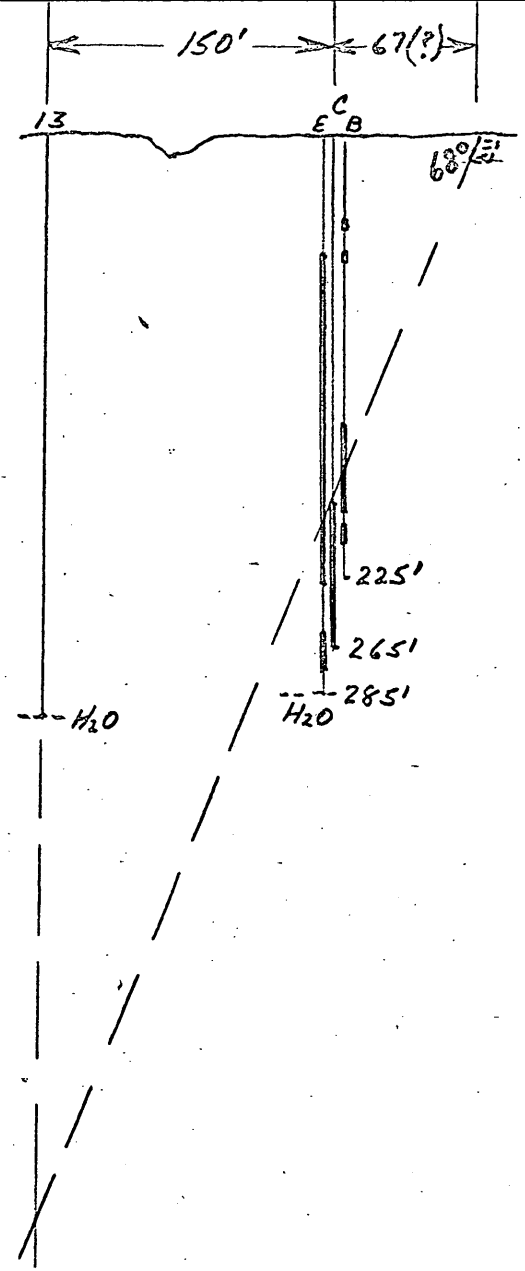
Yours very truly,

Al Harding

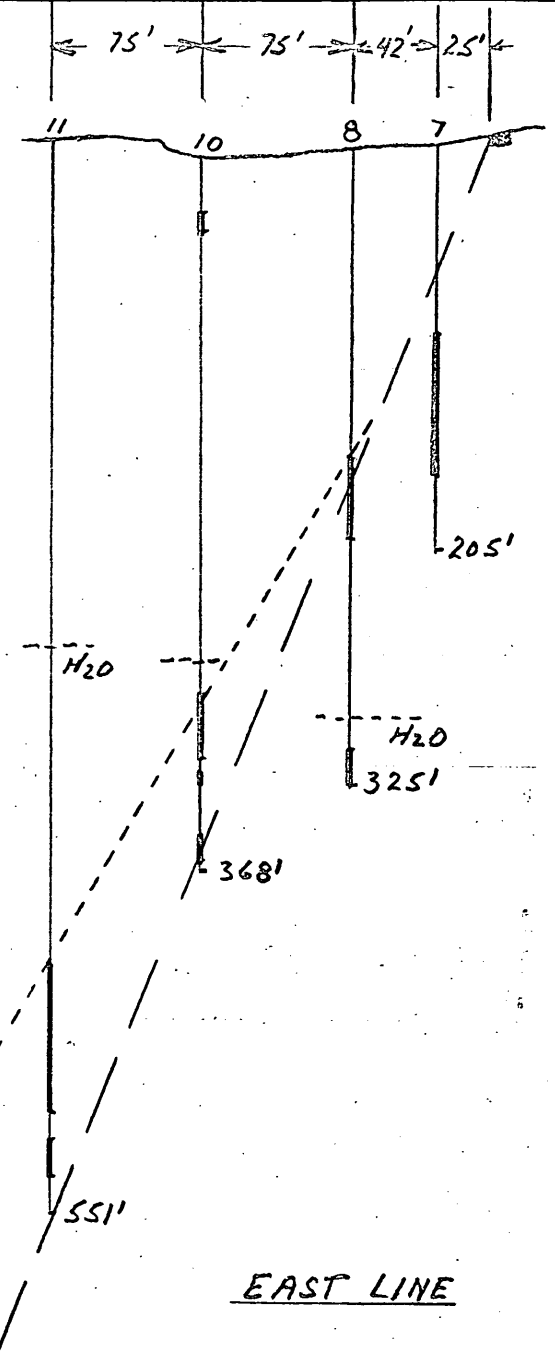

Q. NO. 1
GUN BOLT
D
Q. NO. 8
2
3
4
9
6
12
E
C
A
Q. NO. 2
B
7
8
13
10
11
N
1" = 200'
Q. NO. 10
Q. NO. 6
Q. NO. 7



WEST LINE



INTERMEDIATE AREA



EAST LINE

- - - - - - - 58° DIP

— — — 68° DIP

HEAVY OXIDATION SHADED

1" = 100'

MYSTIC MINING COMPANY
10726 Hatcher Rd.
Sun City, Ariz. 85351

Docket No. OME-6879
Contract No. 14-08-0901-2308

FIRST NARRATIVE REPORT

January 20, 1973

Drilling of Hole No. 11 commenced December 5, 1972, the date of the contract. Holes A and B were drilled by operator at his sole expense prior to that date, while waiting for execution of the contract.

Holes 11 and 12 were located to extend down-dip exploration of the East and West drill hole lines, where operator had previously explored progressively deeper in the oxidized area. The contract holes were intended to penetrate the mineralized fault area at deeper levels, either in a sulphide zone or in a potential intervening secondarily enriched zone. Neither hole penetrated through the oxidized zone, heavy oxidation still prevailing at bottom hole depths. Each hole was terminated after operator believed some mineralization had been found at or about depths anticipated from previous drilling, which had indicated hanging wall dips approximating 58-59°. Laboratory tests subsequently determined that mineralization was of low value in each hole, only a couple of dollars per ton.

Before deciding to drill subseqnent holes deeper along the East and West lines, as originally planned, operator determined to seek more information about dip angles in the area intermediate between said lines. There is a linear area some 600 feet long between the lines where there is no outcrop, the top of the potential vein being covered by 15 to 20 feet of wash, lava boulders, and caliche. Operator's Hole B, 100 feet westerly from Hole 8 on the East line, had proven some extension in that westerly direction. It was a good enough hole to encourage further exploration in that area. Estimated to be 67 feet southerly from the potential outcrop line, it had been drilled to 225 feet. It found the top of a heavily oxidized formation at 150 feet and the last 75 feet to bottom

at 225 averaged $4.72 in the five metallic values. The 45 feet between 165' and 210' averaged $6.92; 25 feet between 185' and 210', $8.80; and the 10' between 200' and 210', $14.31, including $6.60 in gold at the $60 value. The 75' were all soft, red material, with no sulfides or metals visible under a field microscope. Significant was an indication that the dip here seemed to be steeper than estimates of dips derived from previous drilling.

To secure more information about extension, values, and the dip, Hole C was drilled with the hammer dill on January 12th to a depth of 265', bottomed there due to encountering enough water to prevent return of cuttings. It is 250' westerly from Hole B, on line with B and 8. It, too, was a good hole, extending the known occurrence of the vein toward the West line, with encouraging values, and most significant, indicating a dip approximating 68-69°. This raises a possibility that in the East and West lines Holes 11 and 12 might have been stopped too soon, perhaps for one of two reasons; (1) the vein has steepened its dip with depth, or (2) previous opinion about the dip was erroneous. The latter is possible because each hole drilled on the East and West lines has encountered more than one area of heavy oxidation (friable red rock), in each instance the degree of mineralization being determined only by laboratory analysis, not determinable by visual examination. It is possible that oxidized areas above the hanging wall of the main vein have been construed as the main vein. In Hole C the last 65' was all in heavily oxidized material and the 13 five-foot samples averaged $6.49, the last 10', $10.80. There were minimal gold values in that 65' zone, although 7 samples averaged about a pound of copper, much higher than found else here on the property. Between 85' and 115', higher up in the hole, the 30' average was $3.70, and two of the 6 samples had about $2.50 in gold. A typed laboratory report for Hole C is not yet available, but enclosed is a copy of the lab technician's report. A formal copy of the lab report for Hole B is enclosed.

Contemplating where to drill a deeper test, and discussing findings to date over the phone with Mr. Hesler, it was indicated that Hole No. 13 should be south of B and C, perhaps intermediate, considering the interesting values found therein, and located to penetrate the vein area at around 600', drilling beyond 700' if necessary, to see if we can penetrate through the oxidized zone and secure better information about the dip, to reappraise Holes 11 and 12.

To see whether Hole 13 should be moved farther westerly, on January 17th Hole E was drilled along the line formed by 8 - B - C, and 200' west of C. It, too, was hammer drilled in one day, bottoming at 285', water level. Instead of hitting the main oxidized area at around 150-170' as anticipated it was found at about 60'. We stayed in it almost continuously to 135' and had brown oxidation all the way to 215', then hit another red area 233' to 250'. Laboratory results are not yet available. The marked change in depth is not readily explainable. It can be noted that depth of vein here corresponds closely with the depth found last spring in Hole No. 3, some 250' farther west and fairly well in line with E. Hole 3 had 60' which averaged $7.19, 20½' of which averaged $12.03. There is at least some possibility of another fault between C and E. Hole E, pending only upon laboratory results, definitely establishes linear continuity all the way between the East and West lines, a distance of about 800'. However, because of the discrepancy in depths of the mineralized area, it was decided not to move Hole 13 any farther toward the west, but to drill south of a point half way between B and C. It was spudded in January 18th, 150' south of the B-C line, and on Januaty 19th the hammer drilling was completed to 301', finding water at 299'. The vein hanging wall is looked for around 608'.

If a good mineralized area is encountered in Hole 13 then the possibility of deepening Holes 11 and/or 12 should be contemplated. If a good area is not found in No. 13 then an alternate consideration would be drilling an intermediate hole between 13 and the B-C line, to see if further steepening of the vein has occurred.

There should be sufficient funds available under the present contract to perform either one of the contemplated alternatives.

Not included in this contract, Hole D was drilled on the Gun Bolt Claim on January 15th, while waiting to get lab results on Hole C. It was drilled about 40' west of the Discovery Post on the Gun Bolt, and a little east of a 50' shaft. It was bottomed at 210'. Forty-two samples were taken and tested. Laboratory reports are not yet available, but the lab has advised me by phone that none of them are good. The 210' was entirely in rhyolite, the top 25 or so being oxidized. A lab report is included herewith on Hole A, drilled November 30th to 255', on the line between the Gun Bolt and Question No. 6. It, too, was in rhyolite and nothing of interest was found. Hole D was drilled in consideration of an amended agreement with the Gun Bolt's owners, whereby minimum monthly payments will not be increased at the end of this first lease year. The best indication now is that the vein we are currently exploring on the contract will not "apex" on the Gun Bolt. It is possible that a portion of the buried outcrop may touch under the southwest corner of the Gun Bolt, but the fact that the Gun Bolt was refiled to correct an earlier-dated claim which was never recorded makes our Question claims senior in location, so there should be no problem with the mineralized area we are now drilling. However, it is possible that one or two veins (maybe three) which outcrop farther north on the hill to the west may also extend east into the Gun Bolt. So, the Gun Bolt lease should be kept in force until more is known. A copy of the amendment to the lease is enclosed

MYSTIC MINING COMPANY

A.C. Harding

A. C. Harding

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

January 30, 1973

Memorandum

To: The File

From: Robert A. Weeks

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

The Operator transmitted in his letter of January 20, 1973 an "Amendment to Mining Option and Lease Agreement" dated January 11, 1973. This document, which modifies the financial terms of a lease between the Operator and N. O. White, et al, covering the Gun Bolt claim, will be placed in the docket and is associated with that lease which is a part of the Contract.

Robert A. Weeks

Robert A. Weeks

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Weeks
Region III
RWeeks:cac 1/30/73

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Weeks	

JAN 30 1973

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

The enclosed sample voucher restates the Operator's December thru January 18, 1973 expenditures in the terms and units contained in the Contract. While the Operator's voucher is suitable for processing, it would be easier to process subsequent vouchers if he would follow the sample.

Please transmit the sample to the Operator if you agree.

Harold Kirkemo

Harold Kirkemo

Enclosure

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Weeks
130

RWeeks:cac 1/30/73

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 28

January 26, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 29 1973

INITIALS	CODE
Cal	120
	130
HK	120
Cal	130

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Group of Claims
Maricopa County, Arizona
Contract 2308

The Operator called late in the afternoon of January 16, 1973 and submitted data obtained from drill holes 11 and 12, and holes B and C, the later two holes having been drilled on his own account.

Data indicated from the drilling shows that the vein may be steepening down-dip, consequently it seemed advisable to relocate the proposed hole No. 13 nearer the surface outcrop of the vein to keep from having to drill deeper than necessary to intersect the vein further down dip. The Operator also had a logistic problem in having to keep the drilling contractor from sitting on a hole for an extended period of time thus incurring unnecessary standby costs. Because of the data indicated above, the Operator was given verbal approval to relocate hole No. 13, as shown on the map accompanying his voucher for the period ending January 18, 1973.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerls Exploration

Office of Minerals Exploration
Building 53 Room 28

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January 26, 1973

Mr. Albert Harding
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Group of Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. Harding:

This letter constitutes written approval to relocate the proposed site of Drill Hole No. 13 from its proposed location on the map included in the subject contract, to a proposed site approximately 225 feet northwest of Drill Hole No. 11, parallel to the line of holes along Hole 8, and Holes B, C and E. The change of location of Hole 13 is based upon data obtained from company drilled holes 8, B, C, and E as well as holes 11 and 12 drilled under the subject contract, that indicated a steepening of the vein, and that further exploration should be done nearer the vein outcrop as well as the logistics of requiring the contract driller to stand by for an extended period of time. You were given verbal approval during our telephone conversation on January 16, 1973.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: OME-6879
Chief, OME
OME CHRON
MR. HASLER

OFFICIAL
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O. M. E.
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JAN 18 1973
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CAC | 120 MW
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Office of Minerals Exploration
Building 53 Room 28

January 16, 1973

Mr. Albert C. Harding
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Re: OME-6879 (Gold)
Mystic Mining Company
Question Group of Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. Harding:

Enclosed is another supply of Operator's Monthly Voucher Forms, 9-1648, March 1968 for your use. Please follow instructions on the reverse side of the voucher form.

Included also is a sample copy of a properly executed voucher. Please use only the side For Operator's Use, as the side For Government Use Only is for our approval or dissallowance of costs requested by you.

All items of work in the contract under Actual Cost must be supported by statements from your drilling contractor and, assay laboratories, as well as receipts for the purchase of core boxes, sample sacks etc. The date of purchase must be later than the contract date of December 5, 1972 in order to be eligible for participation of payment. I would like copies of assay results from the holes you have drilled on your own account, as well as the holes we are participating in.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

cc: Chief, OME
OME chron
Mr. Hasler
OME-6879

Office of Minerals Exploration
Building 53 Room 28

January 8, 1973

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Mr. Albert C. Harding
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Re: OME-6879 (Gold)
Mystic Mining Company
Question Group of Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. Harding:

Enclosed is a supply of Operator's Monthly Voucher Form 9-1648, March 1968 for your use. Please follow instructions on the reverse side of the voucher form.

Included also is a sample copy of a properly executed voucher. Please use only the side For Operator's Use, as the side For Government Use Only is for our approval or dissallowance of costs requested by you.

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Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures
cc: Chief, OME
OME chron
Mr. Hasler
OME-6879

Office of Minerals Exploration
Building 53 Room 28

December 21, 1972

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Mr. Albert C. Harding
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Re: OME-6879 (Gold)
Mystic Mining Company
Question Group of Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. Harding:

Thank you for executing and returning the copies of the subject contract sent to you December 7, 1972. It is good to note that you had drilled some holes in the area in addition to the previously drilled holes, and that you started work on the contract immediately. I hope we will have some success with the drilling program, as I believe it is a most interesting one.

In reference to your note concerning the lack of provision for mileage, gas and oil, and sample transportation, these costs will be taken care of from the fixed unit allowance for supervision and samples. Washington OME personnel were of the opinion that the operator should bear costs for any spectrographic analyses that he felt obliged to have done, and that spectrographic analyses would not be particularly pertinent to assaying for gold in quantities less than 1 ppm as we should be dealing with gold in commercial, or at least mineable quantities.

Sincerely yours,

J. William Hasler

J. William Hasler, Field Officer
Region III
Office of Minerals Exploration

cc: Chief, OME
OME chron
Hasler chron
OME-6879

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

December 13, 1972

OFFICIAL COPY
O. M. E.
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DEC 18 1972

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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Transmitted herewith are the "Government's Copy" and the "Branch of Financial Management's Copy" on the above-captioned contract. The "Operator's Copy" has been retained by the Operator, and the "Field Office's Copy" and "Extra Copy for Field Use" have been retained in the OME Region III files.

All copies have been signed for the Government and by the Operator.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosures

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Road
Sun City, Ariz. 85351

December 11, 1972

OME Region VI
RECEIVED
DEC 13 1972
Denver, Colorado

Mr. J. William Hasler
Office of Minerals Exploration
Building 53 - Room 28
Federal Center
Denver, Colorado 80225

OME-6879
Contract 2308

Dear Bill:

Many thanks for your letter of December 7.

We are pleased to enclose herewith three fully executed copies of the contract. We think it has been very well detailed and anticipate no serious problem regarding our compliance and performance.

We have a couple of minor questions. We note there is no provision for either milage or gas and oil for transportation of supervisory personnel or samples and assume such items would thus be taken care of by us from the fixed unit allowance for supervisor and sampler? We also note there is no specification for having a few spectrographic tests made, which we think should be done. Can these be included in the allowances for other laboratory tests, provided the total allowance is not exceeded? If not, we'll take care of them ourselves. Perhaps other questions we might have about reporting procedures will be answered when we receive the forms applicable to Article 5. (b) (1) and (2).

We are pleased to make a preliminary report herein that we actually bagan work under the contract on the contract date, December 5th, thinking that date safe as a result of a phone conversation with Mr. Kirkemo on the 4th. At the end of work on December 8th (Friday) we had completed hammer drilling in Holes No. 11 (255') and No. 12 (289'). In No. 11 we encountered moisture sooner than anticipated, 249' instead of 282'. In No. 12 we found it right where we had anticipated, 289'. Today, Monday, the contractor is moving in a core drill and we hope to start coring about noon. We want to finish both these holes before the Hardings fly to Casper on Dec. 21st for the holidays. Our intention is to start the other two holes right after the first of the year and complete them in January.

You will be interested in data regarding two other shallow holes we completed, not under the contract, but to secure additonal

geological information while we were waiting for execution of the contract, one of them quite significant.

Hole "A". We drilled a 'wildcat' hole Nov. 30th and Dec. 1st, on the line between the GunBolt and Question No. 6, 44' westerly from the northeast corner of Question No. 6, to a depth of 255'. This was started in reddish rhyolite and was apparently in rhyolite all the way. No significant mineralization was encountered. Thirty-two samples were tested. The top 180' had about a half pound of nickel per ton and three five-foot samples had two to three pounds of zinc. The other metals were just traces.

Hole "B". You will recall that we had no visible lateral extension of the vein being explored by the East Drill Hole Line, other than a shallow surface cut about 12 feet long, some 600 feet of surface to the we being covered by washed in material. On December 4th we started and finished a hole, 100 feet N60°W from Hole No. 8. That was the apparent strike in the shallow cut. We s et 15' of surface casing, mostly in caliche type material. In Hole No. 8 we had hit the vein at 150'. In this Hole 'B', we also hit it at 150', apparently being right on the strike. We quit at 225', still being in material that showed some oxidation, probably from vertical percolation of leaching fluids. In some respects this was the best hole in that eastern area, and has the best gold showing in that area. In summary:

		Values at Current Prices (AU @ $60)	
75'	(150'-225')	Average	$4.72/T
Best 45'	(165'-210')	Aver age	6.92
Best 25'	(185'-210')	Average	8.80
Best 10'	(200'-210')	Average	14.31
Best 5'	(~~205'-210'~~) 200'-205'	Average	17.83

The 5 feet from 200'-205' had	Au	9.33	
	Ag	.15	
	Cu	.44	
	Pb	3.52	
	Zn	4.39	17.83

The 5 feet from 205'-210' had a total of $10.79, with $3.87 Au.

By themselves, of course, these are not outstanding values, but extremely encouraging if our theory about being in a leached area is correct, with the possibility of finding both an unleached zone at depth and an intermediate enriched zone.

We will advise further results from Holes 11 and 12 as soon as possible.

With best regards.

Yours very truly,

cc: Mr. Kirkemo

MYSTIC MINING COMPANY

Al Harding

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

December 11, 1972

OFFICIAL COPY
O. M. E.
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DEC 14 1972
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HK
Richard

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Geological Survey
1717 H. Street, N.W.
Washington, D.C. 20242

OME-6879
Contract 2308

Dear Mr. Kirkemo:

We are very pleased to have the contract, which you will note from the enclosed copy of a letter to Bill Hasler, we are returning executed today. I want to thank you, personally, for your kindness and courtesy, beyond the call of duty.

You requested information about our Congressional District. We are in Arzona's Third Congressional District. The U. S. Representative is Congressman Sam Steiger.

Sincerely,

AC Harding

ALBERT C. HARDING

71 Magnolia
Casper, Wyoming 82601

10726 Hatcher Rd.
Sun City, CA 92381

December 11, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 14 1972

INITIALS	CODE

Mr. J. William Hasler
Office of Minerals Exploration
Building 53 - Room 28
Federal Center
Denver, Colorado 80225

OME-6879
Contract 2308

Dear Bill:

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With best regards.

Yours very truly,

MYSTIC MINING COMPANY

Al Harding

cc: Mr. Kirkemo ✓

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Office of Minerals Exploration
Building 53 Room 28

December 7, 1972

Mr. Albert C. Harding, Managing Partner
Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

Re: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona
Contract 2308

Dear Mr. Harding:

Enclosed are the original and three copies of a proposed contract to explore the Question Lode claims. The contract consists of MME Form 50, (seven pages), Annex 1 (one page), Exhibit A (three pages), Exhibit B-1 (one page), Exhibit C (one page), Lien and Subordination Agreements (one page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. January 15, 1973 has been inserted for commencement of the work.

If the proposed contract is satisfactory, all four copies should be signed by you and Leith Pike, retain the "Operator's Copy" and return the other copies to this office.

Please be advised that the 8-1/4 percent interest accrues from the dates on which individual payments are made by the Government, and like the principal, is repayable from royalty on production.

If any part of the proposed contract does not have your approval, the original and all copies should be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

ccc: Chief, OME
OME-6879
OME chron
Mr. Hasler

Enclosures

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/1/72	Weeks	
12/1/72	Kirkemo	
12/1/72	Fooker	
12/4	Albers	
12/4/72	Thener	

DEC 3 1972

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona

Enclosed are the original and three copies of a proposed contract to explore the Question Lode claims. The contract consists of MME Form 50, (seven pages), Annex 1 (one page), Exhibit A (three pages), Exhibit B-1 (one page), Exhibit C (one page), Lien and Subordination Agreements (one page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work. An extra copy of the contract is enclosed for field use.

If the proposed contract is satisfactory to you and the Applicant, the four copies should be signed by Albert G. Harding and Leith Pike, and distributed as usual.

Please advise the Applicant that the 8¼ percent interest accrues from the dates on which individual payments are made by the Government, and like the principal, is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant, the original and all copies should be returned to this office together with the proposed changes for consideration.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Weeks
130

RWeeks:cac 12/1/72

DRAFT 11/17/72

Final pls.

Received: General Legal Services 11-24-72

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6879	Gold		Maricopa	Arizona

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Albert C. Harding and Leith Pike, a partnership, d/b/a

Mystic Mining Company,

whose mailing address is 10726 Hatcher Road, Sun City, Arizona 85351, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 5 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 27,000.00. The Government will contribute ~~50~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $ 20,250.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of ____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's right in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of the same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retains his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or Producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B, and are hereby incorporated in and made a part of this contract.

B-1 and C

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

Executed in ~~quadruplicate~~ quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

MYSTIC MINING COMPANY
(Operator)

~~By~~ Albert H. Harding, Partner

~~Title~~ Leith Pike, Partner

By _____
Director, U. S. Geological Survey

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

EXPLORATION CONTRACT
ALBERT C. HARDING AND LEITH PIKE, a partnership, d/b/a
MYSTIC MINING COMPANY
OME-6879

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the Contract consists of eleven (11) unpatented lode mining claims in sections 11 and 12, T. 5N., R. 1W., Gila and Salt River Meridian, Maricopa County, Arizona. These claims are recorded in the official records of Maricopa County at Phoenix, Arizona, as follows:

Claim Name	County Docket No.	Page
Question No. 1	9189	256
Question No. 2	9189	257
Question No. 3	9213	671
Question No. 4	9213	672
Question No. 5	9213	673
Question No. 6	9234	682
Question No. 7	9234	683
Question No. 8	9234	684
Question No. 9	9234	685
Question No. 10	9121	866
Gun Bolt	9264	525

These claims are shown on Figure 1, entitled "Mystic Mining Company Question Lode Claims, Maricopa County, Arizona," which is attached and made part hereof.

The Operator is in possession of the Question Nos. 1 - ~~No.~~ 10 claims by right of location, and of the Gun Bolt claim by virtue of a Mining Option and Lease Agreement dated February 18, 1972, between N. O. White, Florette White and Richard White, owners, and the Operator.

A Lien and Subordination Agreements and dated November 6, 1972, executed by N. O. White, Florette White, and Richard White is attached and made part hereof.

EXPLORATION CONTRACT
ALBERT C. HARDING and LEITH PIKE, a partnership, d/b/a
MYSTIC MINING COMPANY
OME-6879

EXHIBIT A

The purpose of the project is to explore by drilling for gold-bearing ores in a mineralized fault zone cutting Precambrian schists at the south end of the Hieroglyphic Mountains near Sun City, Maricopa County, Arizona. The principal objectives are secondarily enriched deposits associated with present or former water tables.

General Provisions

Drill sites and access roads are to be prepared with due regard to maintaining the surface values of the land, Upon completion of the work the Operator shall restore to its approximate original condition any area disturbed by the project work.

The holes shall be drilled with a down-hole air hammer drill from the surface to the water level, and continued downward by diamond core-drilling. Core-drilling shall be completed not less than NX core size or equivalent wire line size (NQ).

Casing shall be used as necessary.

The Government will not contribute to the cost of incomplete holes, or to casing left in the hole at the Operator's request.

A representative sample of the cuttings obtained from hammer-drilling shall be collected for each five-foot interval of hole drilled, and shall be split with one split tested by geochemical methods for gold, silver, copper, lead, and zinc content. The remaining sample shall be appropriately labeled and stored.

All diamond drill core shall be logged and split. No split samples shall represent more than 5 feet of hole. One split of each sample shall be tested by geochemical methods for gold, silver, copper , lead, and zinc content. The remaining splits shall be stored in boxes identified by hole number with markers in the core sections indicating the depths represented.

The stored samples of drill cuttings and core shall be available for additional analyses, and for Government inspection and possible use. Stored samples may be disposed of only with prior approval of the Government.

Preliminary geochemical analyses of the samples will be used to identify sample intervals that contain significant mineralization. Subsequent geochemical analyses may be obtained to confirm the preliminary determinations. Fire assay analysis may be used to determine the content of gold and silver.

True copies of certificates of assay or analysis of all samples, logs of the drilling completed, and maps or sketches showing the location of all samples collected and assayed or analyzed shall be submitted with the Operator's monthly reports.

Description of the Work

The work shall consist of preparing four surface drill sites, and drilling one vertical hole at each site for an estimated drilling total of 2200 feet. The approximate locations of the holes to be drilled, numbers 11, 12, 13, and 14, are shown on Figure 2, entitled "Map Showing Proposed Drilling," which is attached and made part hereof.

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

Drilling

Mobilization and demobilization	$200.00	
Site preparation	200.00	
Surface casing pipe, 50 feet @ $7.40/ft.	370.00	
Hammer drilling 1200 feet @ $5.00/ft.	6,000.00	
Core drilling - NXWL (NQ) 1000 feet @ $9.75/ft.	9,750.00	
Setting and pulling casing, 45 hours @ $35.00/hr.	1,575.00	
Casing left in hole, 300 feet @ $1.24/ft.	372.00	
Cement, drill mud, and additives, 75 sacks of materials at driller's invoice prices	500.00	
Total Category 1		$18,967.00

Category 7 - Miscellaneous

Preparing samples for analysis, 315 samples @ $1.00	$315.00	
Geochemical analysis for gold, silver, copper, lead, zinc, 315 samples @ $4.75/sample	1,496.25	

Recheck of sample pulps if individual values exceed:		
Au greater than 1 ppm, or		
Ag greater than 30 ppm, or		
Pb greater than 3,000 ppm, or		
Zn greater than 3,000 ppm		
750 determinations @ $3.00 each	$2,250.00	
Fire assaying for gold and silver,		
15 samples @ $4.40/sample	66.00	
Cardboard core boxes,		
100 @ $1.15 each	115.00	
Sample sacks,		
850 averaging about $0.28 each	240.75 (rounded)	
Total Category 7		4,483.00
Total Actual Costs		$23,450.00
Fixed Unit Costs		
1 Supervisor,		
2 months @ $1,000.00/month	$2,000.00	
1 sampler,		
2 months @ $500.00/month	1,000.00	
Payroll taxes, 15% of $3,000.00	450.00	
Office expense,		
2 months @ $50.00/month	100.00	
Total Fixed Unit Costs		$3,550.00
Total Estimated Cost of the Project		$27,000.00
Government participation at 75%		$20,250.00

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

November 28, 1972

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Geological Survey
1717 H. Street, N.W.
Washington, D.C. 20242

Docket No. OME-6879

Dear Mr. Kirkemo:

Thank you for calling yesterday. This will confirm our phone conversation of this morning.

No part of any of the claims included in our application is in East Half of Section 12, nor, specifically, in the S½SE¼ of that Section, nor in any other withdrawn lands. Before filing our claims we had checked with the Phoenix office of BLM to ascertain that the land to be included was open for mineral entry, and found that it was.

Sincerely,

MYSTIC MINING CO.

A. C. Harding

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THE Arizona BANK

H. H. COLTRANE
VICE PRESIDENT

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REPLY TO / P. O. Box 130

Sun City, Az. 85351

November 24, 1972

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Geological Survey
1717 H Street, N.W.
Washington, D. C. 20242

Dear Mr. Kirkemo:

Our good customer, Mr. Al Harding, who is a partner in Mystic Mining Company, called at our bank today.

Mr. Harding requested that we advise you the amount in the checking account of Mystic Mining Company. This is to inform you that there is in excess of $10,000.00 in this account on this date.

Very truly yours,

H. H. Coltrane

H. H. Coltrane
Vice President & Manager

HHC:bjs

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ENVIRONMENTAL IMPACT ASSESSMENT

November 10, 1972

OME-6879 - Mystic Mining Company
Question Group of Claims
Maricopa County, Arizona

The project will not require the construction of access roads, however, drill sites, excavation of small pits for temporary storage of water for drilling will be required. No blasting or rock excavation will be required, and the few small pits will be back filled upon completion of the drilling.

The four drill sites are distributed in an isolated group of hills on the south end of the Hieroglyphic Mountains, some eleven miles northwest of Sun City, Arizona. The holes will be drilled in an area about 1500 feet in length and 800 feet in width. Relief is moderate and the hills are sporadically covered with plants typical of the Sonoran desert, such as Saguaro cactus, chollas, barrel cactus, prickly pears, creosote bush, paloverde, ocotillo, and other shrubs. Ground cover is slight, soil is thin, or absent in most places. Stream beds in the area carry little or no water most of the year.

The impacts of all sections on the proposed project upon existing characteristics and conditions of the environment were considered using a matrix approach based on procedures suggested in U. S. Geological Survey Circular 645. The applicable factor and magnitude and importance of the impact of each action are shown in the following matrix:

ENVIRONMENTAL CHARACTERISTICS AND CONDITIONS	CUT & FILLS	DIAMOND DRILLING
Land Form	2 / 1	
Surface Water	1 / 1	1 / 1
Erosion	1 / 1	
Vegetation	1 / 1	
Wildlife		

The only actions which would have any effect on the environment are the cut and fills and the diamond drilling. As these will be very limited in extent, and any pits of consequence for temporary storage of water will be backfilled, possible impacts upon the environment resulting from this project will be insignificant.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

November 10, 1972

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glo	130
HK	120
Board	BW

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6879 (Au)
Mystic Mining Company
Question Lode Claims
Monicopa County, Arizona

Transmitted herewith is a report of examination on the subject property recommending that the applicant be offered a contract to explore for gold at depth along the mineralized structures.

Total estimated costs for completing the recommended four holes totalling an estimate 2300 feet of drilling is $26,490.50. Government participation at 75% would be approximately $19,867.88.

UNITED STATES

DEPARTMENT OF THE INTERIOR

ROGERS C. B. MORTON

SECRETARY OF THE INTERIOR

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

OME-6879 (Au)

MYSTIC MINING COMPANY

QUESTION LODE CLAIMS

MARICOPA COUNTY, ARIZONA

By

J. William Hasler

Geologist

November 1972

FIELD APPL. REPORT

ILLUSTRATIONS

Figure 1. Mystic Mining Company Question Lode claims, Maricopa County, Arizona.

Figure 2. Map showing Proposed drilling.

Introduction and Summary

The Mystic Mining Company, 10726 Sun City, Arizona 82601 applied to the Office of Minerals Exploration for financial assistance to explore for gold on their Question group of unpatented calims in Maricopa County, Arizona. The application was referred to the field, and an examination was made by J. W. Hasler, geologist, on September 11 and 12, 1972. The examining geologist was accompanied by the applicants, Mr. Albert Harding and Mr. Leith Pike.

During the field examination it was found that there is a prominent mineralized fault striking generally N. 75° W. and dipping steeply south across the Question No. 1 claim upon which several shafts have been sunk and that the structure has been recently drilled by the applicant in order to explore for increased gold values at depth, near the water table and below the zone of oxidation. The main fault cuts precambrian schists, as do some smaller more or less, parallel faults in the immediate area. Also associated with the mineralized structures is some dike material as well as Tertiary andesites. The structures contain consistent low grade gold values along with copper, lead and zinc values in a highly oxidized, sheared, altered, and brecciated zone. The most prominent fault may be traced westward several thousand feet.

Drilling by the applicant, along two lines at right angles to the strike of the vein or veins, proved the existence of the structure at depth and showed that mineralized hanging wall 10 - 20' thick contained material that had a weighted average of $12.82/ton in the five metals Au, Ag, Cu, Pb and Zn, and that there was a total mineralized area

within the footwall of 63 feet with a weighted average value of $4.50 per ton.

A study of the structure, with its extreme oxidation, brecciation and associated gangue minerals of manganese and calcite indicates that there may be an enrichment of the vein near the water table or below the zone of oxidation. The applicant therefore proposes to test this theory by drilling four drill holes southward along the west and east drill lines to test the structures at depths as much as 200 feet deeper than they have now been tested.

Because of the persistent values of low grade material along a strong prominent mineralized fault zone it appears as though the structures should be explored at depth with the drilling proposed as suggested herein with the accompanying costs. The total estimated costs of the program are $26,490.50. Government participation at 75% for gold will be $19,867.88.

Location and Accessibility

The Question Nos. 1 through Question No. 10 claims were located by the Mystic Mining Company, a limited partnership, in January and February, 1972. The claims are located in sections 10 and 12, T. 5 N., R. 1 W., Gila and Salt River Meridian, Maricopa County, Arizona (Figure 1) and may be reached by travelling on improved and unimproved roads 11 miles north of Sun City, Arizona, by travelling from Sun City, Arizona to the intersection of Bell Road with 107th Avenue at Sun City, Arizona thence two miles north on an oiled road, then 5 miles northward on a gravelled county road, go slightly west, then north under a flume of the Beardsley Canal, for 4 more miles on unimproved road to the property. The road can be navigated with care in a conventional passenger car, however, with a four-wheel drive truck would be more suitable.

Property

History and Production

First hand knowledge of the property's history is somewhat questionable, however, the two men, Stevenson and White whom the applicant mentions, report that some of the work on the claims was done nearly 60 years ago, and that two men named Tucker and Morrison lived on the property for 40 years, during the time from about 1910 - 1950. According to Stevenson and White most of the work previously done in the area was for gold and at one time a one-man cyanide operation was unsuccessfully attempted.

Most of the previous exploration work done in the area was done on a small hill, northeast of Twin Buttes on the Baldy Mountain quadrangle. Several shafts, some as deep as 75 feet and as shallow as 20 feet have been sunk. Five of the shafts have been sunk on and near a prominent fault zone that strikes N. 75° W., and dips some 85° to the south. There are several shafts on other apparent parallel fault zones both to the north and south of the main fault zone. No records of past production are available, according to the Arizona State Bureau of Mines, and neither Mr. Stevenson nor Mr. White have any record or knowledge as to the tonnage that might have been mined. No recent work has been done other than the drilling completed by the Mystic Mining Company, during March, April and May of 1972.

Ownership

Mr. Albert C. Harding and Mr. Keith Pike located ten unpatented lode mining claims named the Question Nos. 1 through 10 in sections 11 and 12, T. 5 N., R. 1 W., Gila and Salt River Meridian, Maricopa County, Arizona, during January and February of 1972. The claims were recorded in the Maricopa County Recorder's office in the following docket as shown:

Claim Name	Docket	Page
Question No. 1	9189	256
Question No. 2	9189	257
Question No. 3	9213	671
Question No. 4	9213	672
Question No. 5	9213	673
Question No. 6	9234	682
Question No. 7	9234	683
Question No. 8	9234	684
Question No. 9	9234	685
Question No. 10	9121	866

In addition, the Lucas Bath unpatented lode mining claim, is controlled by the operator by virtue of a Mining Option and Lease Agreement dated February 18, 1972 between the operator and the Question, N.O. White, Estelle White and Richard White.

Question Nos. 1, 2, 3, 4, 5, 9 and 10 on the accompanying plat in 9421 page 867 of the Maricopa County Recorder's office, and Question Claims Nos. 6, 7, and 8 are shown on a plat in docket 9421 page 868 also in the Maricopa County Recorder's Office both plats are shown below.

The required amount of assessment work has been done on the subject group of claims and there are no liens or encumbrances on the property. A limited partnership was formed by Mr. Harding and Mr. Pike. A copy of the agreement accompanied the application for financial assistance and appears to be in order.

Financial Eligibility

The applicant, Mystic Mining Company, a limited partnership between Albert C. Harding, and Leith Pike, states that they have an adequate amount of funding to carry out their portion of an exploration loan for gold, should they be offered a contract.

Mr. Harding, the principal partner will have managerial responsibility and will provide the necessary financing. (See applicant's letter to Chief, dated November 7, 1972). Mr. Harding is a mining engineer, a graduate of the Colorado School of Mines, 1937, and was General Manager of the Black Hills Bentonite Company, Casper, Wyoming for the first 21 years of its existence. The company is still an active one and is a producer of bentonite, and bentonitic products.

Geology

The Question group of claims lie in area southeast of the Hieroglyphic Mountains, west of the Aqua Fria River. A high mesa-like area to the west of the claims is capped by Quaternary basalts, near sections 11

and 12 the basalts appears to be in contact with Cretaceous andesites as well as with precambrian schists (Geologic map of Maricopa County, Arizona). The main vein, or fault strikes a little north of west and dips southward along the Question No. 1 claim. The vein is not unlike other siliceous base metal vein deposits that are classified as mesothermal veins, and are characteristic of other Arizona gold deposits in the general area that may be described as follows:

"In general, these veins though locally lenticular, are persistent, straight and narrow with definite walls. Their gangue is massive to drusy milky-white quartz, with or without ankeritic carbonates. Their ore shoots, below the zone of oxidation contain abundant sulfides, principally pyrite, galena, sphalerite, chalcopyrite, arsenopyrite, and tetrahedrite. Most of them are silver bearing, and may contain more silver than gold by weight. In the primary zone some of their gold is free, but most of it occurs as sub-microscopic intergrowths with the sulfides, particularly the finer-grained galena, chalcopyrite and pyrite. Their oxidized zone was rich in free gold but generally shallow. They have yielded placers only where their primary zone carried considerable free gold. The vein wall rocks generally show sericitization and carbonatization. High temperature minerals are absent."[1/]

1/ Wilson, E. D., and other, 1934, Arizona lode gold mines and gold mining; Arizona Bureau Mines Bull. (p. 21) 261 p.

The mineralized material occurs in several more or less parallel veins, however the main vein or fault zone lies along the Precambrian schist, and is as wide as 10 feet, with pronounced gouge and slickenside

on the footwall. Some 21 inches of highly oxidized altered material, that is also severely brecciated lies immediately on the hanging wall of the fault. A sample of this material taken near a 20 foot shaft assayed 0.04 oz. Au, 0.3 oz. Ag, 1.09% Pb, 0.06% Cu and 1.74% Zn. The applicant reports samples from their surface sampling usually assays from 2 - 3 percent combined lead and zinc.

The area along the main fault zone where the five shallow shafts have been sunk is severely shattered over a width of some 30 feet. Fresh essentially unaltered schist was observed south of the ten foot shaft on or near the south side of the Question No. 1 claim, about 100 feet east of drill hole No. 4. The applicant details the mineralized material rather adequately in his application report on pages 12, 13, 14 and 15.

Applicant's drilling results and proposal

The applicant explored on the Question group of lode claims by diamond drilling nine holes for a total of 2,197 feet along two lines of holes to explore for gold values at depth on possibly two nearly east-west striking mineralized fault zones. Both zones dip steeply southward, away from the leased Gun Bolt claim. The two lines of drill holes are approximately 800 feet apart, the west line of drill holes trends 20° west nearly perpendicular to the strike of the strongest, most persistent structure. This structure can be traced westward the full length of the Question No. 1 claim, but cannot be traced eastward to within 200 feet of the east end of the Question No. 1 claim due either to surface cover, erosion, or faulting.

In the west line five drill holes penetrated mineralized material probably in the hanging wall from 10 to 20 feet thick, with a weighted average value of $12.82/ton in the five metals, at prices quoted by the applicant (gold at $50.00), and total mineralized material covered an interval of 63 feet. There was a maximum gold assay for a 5-foot section of 1-5/8 oz.

In the east line of holes on the Question No. 6 claim, three holes penetrated some 73 feet of mineralized material with weighted values of $2.70 per ton. The highest assay was found in a 14-foot section near the most southerly hole (Hole No. 10), however most of these values were in lead and zinc, but there was some increase in the amount of copper.

The applicant states that early sampling by them in the general area of the west drill hole line eighteen samples averaged $7.60 in values for the five metals, gold, silver, copper, lead and zinc. The early opinion that oxidation of the fault zone, at least near the surface has been most thorough, even to a depth of 368 feet is evidenced, as there is really no visible gold, silver, copper, lead or zinc, partly because the complete shattering and brecciation of the material in the fault zone caused the silver, copper and zinc to have been thoroughly leached out. From time to time manganese oxide (pyrolusite) has been observed in the heavily oxidized rock, considerable black calcite is also present within the fault zone. A piece of calcitic core from drill hole 3 was sent for confirmation of manganese, and in confirming it, the laboratory also reported 5% lead and 6% zinc. In the same drill hole 20 feet of

material between 68 ÷ 88 feet in the hole averaged 6.4 ppm gold (about 9.60 at $50.00/oz.). The Operator thinks that it is quite possible that manganese, along with the chlorides assumed to be present in the region, have dissolved part of the original gold, and that the gold values may possibly increase near and below the water level.

The applicant originally proposed drilling some 5,000 feet of diamond drilling in eight holes to explore the mineralized fault zone at depths to the water table and possibly from there below the zone of oxidation. An appraisal of the property indicated that only an estimated 2,300 feet of drilling in four holes is presently warranted, and will be so recommended by the examining geologist.

Below is the applicant's summary of values obtained from the drill holes:

Applicant's
Summary of Drill Hole Values

A summary of the weighted average values in each hole is as follows, listing first the best 10°, and then the total thickness of the mineralized area:

WEST DRILL HOLE LINE

Hole No. 1	10' @ $14.41 (7-17)	
	23" @ 9.49 (7-30)	
Hole No. 2	10' @ 7.17 (3-13)	
	74' @ 2.60 (3-77)	
Hole No. 3	20-1/2 @ 10.09 (67-1/2 - 88)	
	60' @ 6.18 (58-118)	
Hole No. 4	10' @ 5.72 (138-148)	
	66' @ 2.21 (136-202)	
Hole No. 9	10' @ 29.46 (305-315)	
	91' @ 5.34 (230-321)	
Hole No. 6	20' @ 1.08 (325-345)	incomplete - cave in

EAST DRILL HOLE LINE

Hole No. 7	10'	@	5.90 (180-190)
	105'	@	2.36 (90-195)
Hole No. 8	10'	@	3.08 (195-205)
	45'	@	2.30 (160-205)
Hole No. 10*	10'	@	2.67 (280-290)
	56'	@	2.16 (275-331)
	14'	@	8.72 (352-366)
	10'	@	2.63 (25-35)

*In Hole No. 10, a 2' and a 4' section of the 56' were not tested and values have been extrapolated, as have values for parts of the cores lost in the 14' section.

It should be noted that for the West Drill Hole Line there are 10' in Holes 1, 2, in Hole 3, which give a weighted average of $12.82 a ton. The best 10' in Holes 7, 8 & 10, on the East Drill Hole Line give an average of $3.88, excluding the higher values found at the bottom of Hole No. 10.

AVERAGE THICKNESS & VALUE

For the West Drill Hole Line (Holes 1, 2, 3, 4 & () the average thickness of the mineralized area is 63' and the weighted average value for the five metals is $4.50 a ton. The total thickness at Hole No. 1 was not determined and only the drilled thickness is used in the averages. For the East Drill Hole Line (Holes 7, 8 & 10), without including the bottom 14' or 10' close to the surface in No. 10, the average thickness of the mineralized area was 73', with a weighted average value of $2.70.

TRUE THICKNESS

It should be noted that all thicknesses reported herein are vertical drillhole measurements. With dips approximating 60°, the true thickness or width, perpendicular to the dip, would be about one-half the vertical thickness.

EVIDENCE OF LEACHING

The fact that leaching has accompanied oxidation seems especially indicated in the West Drill Hole Line. Note that in Holes 1, 2, 3, & 4 the best values are in the top 10', the hanging wall side of the mineralized area, that portion which is best protected from descending, dissolving solutions. In Hole No. 9 the best values, in gold, were found toward the bottom, but the top 15' averaged $4.73 and the next 65' only $1.73. It seems evident that the hanging wall can be definitely located but there has been too much mineralizing penetration of the fractured schist to establish a footwall. In the East Drill Hole Line, again the hanging wall has more regularity, but the values are higher toward the bottom of the holes. We do not know why.

SUMMARY OF EXISTING VALUES AND ESTIMATE OF POTENTIAL VALUES

EXISTING: Following is a list of existing values as determined by drill holes, for the indicated footage, followed by a table which condenses such values into 10 feet of footage, assuming that such may have been the fact prior to oxidation and dissipation of values into the footwall schist.

Hole No. 1	23' @ 9.49	equals	10' @ 28.47
Hole No. 2	74' @ 2.60	equals	10' @ 19.24
Hole No. 3	60' @ 6.18	equals	10' @ 37.08
Hole No. 4	66' @ 2.21	equals	10' @ 14.58
Hole No. 9	91' @ 5.34	equals	10' @ 48.59

Average 29.59

Hole No. 7	105' @ 2.36	equals	10' @ 24.78
Hole No. 8	45' @ 2.30	equals	10' @ 10.35
Hole No. 10	56' @ 2.16	equals	10' @ 12.10
10	14' @ 8.72	equals	10' @ 12.20
			Average 14.85

So, assuming the original thickness (vertically) was 10', the average value for both Drill Hole Lines is $22.22.

POTENTIAL: It would seem erroneous to assume that all the original values are still present in the areas drilled. Dilution of values through oxidation and leaching is very probable. No valid guess is attempted, but the following table indicates for several percentages what the original value could have been, as justification for exploration below the real water table.

If loss through leaching was 25%,	Original value was	$29.36
50%		44.44
75%		88.88
80%		111.10

SECONDARY ENRICHMENT: If leaching occurred as indicated, enrichment is probable. The following is compiled as an indication of what could have happened if the leached area was a minimum of 400', as seems probable, and if the enriched zone is 100' thick. The potential value in the enriched zone is determined by adding to the original value four times the loss at each leaching percentage.

25%	(7.14 x 4)	or 28.56 plus 29.36	57.92
50%	(22.22 x 4)	or 88.88 plus 44.44	133.32
75%	(66.66 x 4)	or 266.62 plus 88.88	355.50
80%	(88.88 x 4)	or 355.52 plus 111.10	466.62

Examiner's Evaluation, Appraisal and Recommendations

The main mineralized fault zone on the Question group of claims strikes N. 75° W. and dips south 60 - 80° and traverses the Precambrian schist that has become highly altered, and in some places extremely silicified. The fault zone consists of a highly oxidized slickenside on the hanging wall and contains at least 21 inches of altered and severely brecciated and crushed oxidized material, heavily iron stained, with considerable manganese stain and rather abundant black calcite. Not much quartz was seen within this zone and there was not visible gold, silver, copper, lead or zinc, however sampled material in the shallow cuts usually contain assayable quantities of gold, silver, copper and combined lead and zinc amounting to 2 or 3 percent. The schist is altered and shattered for a distance of some 30 feet in width from the main vein. Pods of white, essentially bull quartz were found sporadically in the area.

The most impressive thing about the area is the high degree of oxidation, the great size and length of the main or most prominent structure, and the pervasiveness of the mineralized material, values are not high or of ore grade material, but the constant amount of gold assays in the area is enouh to intrigue the imagination, and to suggest that there may be something at depth, especially below the oxidized zone and below the water table.

The veins or at least the main fault zone are not unlike the Mesothermal veins that are representative of the neighboring Vulture, Congress and Octave, Mines, except that gold was more in evidence, both near the surface and at depths of 2,000 and 4,000 on the dip of veins. These veins were deposited under conditions of moderately high temperatures and pressures, at depths of more than 3,000 feet below what was then the surface. They

occur in schist, gneiss, granite, and sedimentary rocks, and are predominantly of Mesozoic or Tertiary age. In general, they are persistent and are characterized by rather regular form; localization by fractures with even to smooth walls; coarse gained texture; banding due mainly to shearing and replacement; and wall-rock alteration to carbonates, quartz, and rather coarse-grained sericite. They generally contain sulfides, particularly pyrite, chalcopyrite, galena, sphalerite and arsenopyrite. Their gold occurs both as fine to coarse free particles and has a finely divided constituent of the sulfides. Many of them contain more silver than gold by weight. Most of them have not been commercial below depths of several hundred feet, but the Congress and Octave veins were carried to depths of 2,000 - 4,000 feet on the dip.

An interesting observation from the sampling shows that of 14 samples, taken from drill core, those that were high in gold were low in Pb and Zn, and samples that were high in lead and zinc were low in gold, which may indicate that perhaps the samples high in gold contained more ~~iorn~~ Fe sulfides originally which helped to dissolve the lead and zinc, and that samples high in lead and zinc contained more manganese, which helped dissolve gold and precipitate the lead and zinc. It might also be noted that good lead and zinc assays were found with black calcite (Manganese stained), or where manganese is evident. These relationships suggest, as the applicant refers to Bateman's Ore Deposits, the possibility of secondary enrichment of gold in the supergene sulfide zone, gold, dissolved by ferric sulphate in the presence of sulphuric acid, salt and manganese oxide. These conditions may exist here, as manganese oxide

is more or less abundant throughout the intensely oxidized zone. These possibilities may indicate increased values at depth. The applicant originally proposed drilling at depth, to and below the water table to explore the veins for the potential. He suggested a total of 5,000 feet drilling in 8 holes at depths from 400 - 800 feet. The estimated total cost of the applicant's proposed exploration program was $56,692.75.

The field examination, and appraisal of the property indicates that possibly only four holes should be drilled to explore southward along the west drill hole line and the east drill hole line to extend the present known depths and additional 100 feet or more. Should these four holes prove successful in discovering ore grade material then four more holes could be drilled. However, if the first four holes prove discouraging no more exploration appears to be warranted.

It is recommended therefore that a contract be prepared to explore for gold-bearing veins at depth by completing four holes as suggested herein (Figure 2). Total estimated footage may be around 2300 feet. Below are the estimated costs of the proposed exploration drilling on the Question Claim Nos. 1 through 10, in Maricopa County, Arizona, Figure 1.

Estimated Costs of the Work

Actual Costs

Category (1) **Independent Contracts**

Drilling

Mobilization and demobilization	$ 200.00	
Site Preparation	$ 200.00	– not requested
Collar Pipe, NX or NC		
50 feet @ $7.40/ft.	$ 370.00	Unit price?

Hammer Drilling

? 5-1/2 inch 1,200' (4 holes est. 300' each 800' @ $9.75	4,200.00	– ?

Core Drilling 0-600' NXWL(NQ)

0-500' Above 500' (4 holes @ 200' each - 800' @ $9.75	7,800.00	
Below 500' 2 holes (2 holes totaling 220'± @ $9.75	2,145.00	

Water

Truck rental - min. estimate 2 months @ $350.00; mileage 30 trips at 24 mi. @ $0.25/mile	700.00 180.00	(don't need)

Casing Rig time

Estimated 45 hrs. @ ~~$30.00~~ 35/hr.	1,350.00	? Shelton bid $35.
Cement, drill mud, additives and hole plugging agents	500.00	– not requested by operation.
Standby time 25 hrs @ $30.00/hr.	750.00	– (don't need)
Casing left in hole 300'± D. 1235¢/ft	370.50	
Total Category (1)		$18,765.50

Fixed Unit Costs

Category (2) Personal Services

1 Supervisor		
2 months at $1,000.00	$2,000.00	
1 Helper (sampler)		
2 months @ $500.00	$1,000.00	
Payroll Taxes		
$1,000 @ 15%	150.00	
Office Expense		
2 months at $50.00/mo.	100.00	
Total Category (2)		$3,250.00

Actual Costs

Category (7) Miscellaneous

None except:

Assaying

Item		
Preparation 315 samples at $1.00	$ 315.00	
Trace Analysis, Geochemical		
Au, Ag, Cu, Ph, Zn 315 samples at $4.75	1,496.25	
Recheck of pulp when:		
Au exceeds 1 ppm Ag exceeds 30 ppm Pb or Zn exceeds 3,000ppm Est. 750 rechecks @ $3.00	2,250.00	
Spectrographic		
10 tests @ $8.00	80.00	
Fire Assays		
Au and Ag 15 tests $4.40	66.00	
Total Assaying	$4,207.25	

No. [illegible] Delete?

Yes, [illegible]

Actual Costs

Category (7) Miscellaneous -- continued

None except:

Cardboard Core boxes

100 @ $1.15 each	$ 115.00	
Sample sacks 365 @ $0.35	127.75	
Sample sacks 100 @ $0.25/each	25.00	
	$ 267.75	
Total Category (7)		$4,475.00
Total Estimated costs		$26,490.50
Government Participation @ 75%		$19,867.88

November 7, 1972

NOV 8 - 1972

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Geological Survey
1717 H. Street, N.W.
Washington, D.C. 20242

Docket No. OME-6879

Dear Mr. Kirkemo:

By letter from Mr. Hasler November 3rd I received copies of MME Form 52, Lien and Subordination Agreement. I am pleased to enclose herewith five completed copies, executed November 6th by N.O.White, Floretta White (wife), and Richard White (son). N.O.White and Richard White are the locators of record and owners of the Gunbolt Mining Claim, which we have leased, and you have a copy of the lease. The lease is in good standing, with advance royalties prepaid to January, 1973, we will make additional prepayments as necessary, at least to maintain the lease during the life of the exploration contract.

Supplementing a letter to you on September 22nd, with regard to my financial responsibility, the Mystic Mining Company's bank account at The Arizona Bank, 10733 Peoria Ave., Sun City, Ariz., has a little over two thousand dollars in it. That account is supplemented as necessary from my personal accounts. I have two checking accounts, one with First National Bank, Casper, Wyo., and the other with First National Bank of Arizona, Sun City. The total of the two accounts at present is in excess of thirty thousand dollars. I have other assets, including a home in Sun City, and no liabilities other than current utilities, etc.

Sincerely,

MYSTIC MINING COMPANY

A.C. Harding

CC: J. William Hasler, Denver

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

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November 8, 1972

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Geological Survey
1717 H. Street, N.W.
Washington, D.C. 20242

Docket No. OME-6879

Dear Mr. Kirkemo:

With reference to your letter of November 6th, enclosed are two copies, executed, of Exhibit B-1. We have retained the copies of Exhibit C, for execution by the drilling contractor on your futher instructions.

We hope that the information submitted in our letter yesterday will be sufficient to serve as evidence of our financial responsibility for the purposes of a contract. Information provided with our original application (p.31) shows expenditures for exploration work March-May, 1972, in amount of $22,469. My personal resources to the extent necessary are pledged to see that Mystic Mining Company will adequately meet its share of costs for the contemplated contract. The company has had no production and, thus far, has been involved solely in exploration work. Funds are provided to it by me only as required.

In addition to the mining claims and lease, all of uncertain value, the company's assets involve perhaps $500 worth of casing, small tools and supplies, $1,100 in prepaid royalties on the lease, recoverable only from production, and at present about $2,300 in a bank account. The company has no liabilities other than an agreement to reimburse me for advances if and when there is income. I would be pleased to deposit to the company's account another $15,000 or so pending the execution of the contract, if you think that would be advisable.

Sincerely,

A. C. Harding

Copy to Region III 11/14/72

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

November 7, 1972

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Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Geological Survey
1717 H. Street, N.W.
Washington, D.C. 20242

Docket No. OME-6879

Dear Mr. Kirkemo:

By letter from Mr. Hasler November 3rd I received copies of MME Form 52, Lien and Subordination Agreement. I am pleased to enclose herewith five completed copies, executed November 6th by N.O.White, Floretta White (wife), and Richard White (son). N.O.White and Richard White are the locators of record and owners of the Gunbolt Mining Claim, which we have leased, and you have a copy of the lease. The lease is in good standing, with advance royalties prepaid to January, 1973, we will make additional prepayments as necessary, at least to maintain the lease during the life of the exploration contract.

Supplementing a letter to you on September 22nd, with regard to my financial responsibility, the Mystic Mining Company's bank account at The Arizona Bank, 10733 Peoria Ave., Sun City, Ariz., has a little over two thousand dollars in it. That account is supplemented as necessary from my personal accounts. I have two checking accounts, one with First National Bank, Casper, Wyo., and the other with First National Bank of Arizona, Sun City. The total of the two accounts at present is in excess of thirty thousand dollars. I have other assets, including a home in Sun City, and no liabilities other than current utilities, etc.

Sincerely,

MYSTIC MINING COMPANY

A. C. Harding

CC: J. William Hasler, Denver

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

NOV 6 1972

Mr. Albert C. Harding
10726 Hatcher Road
Sun City, Arizona 85351

Re: OMR-6879 (Gold)
Mystic Mining Company
Question Mining Claims
Maricopa County, Arizona

Dear Mr. Harding:

Thank you for your letters of September 22 and October 23, and the copy of your report to the Western Governor's Mining Advisory Council, Western Governor's Conference, July 14, 1971.

As you know from a recent conversation with Mr. J. W. Hasler, OME Field Officer, Region III, regarding your application, we are suggesting that you submit a Lien & Subordination Agreements Form 52 signed by the owners of the Gun Bolt claim, and the latest financial report for Mystic Mining Company. If you are able to obtain the signed agreement from the owners now, it would obviate having to get it later if necessary. We do not support exploration work undertaken so close to the outer boundaries of an applicant's property as to appreciably enhance the potential value of adjoining property. We would prefer including the Gun Bolt claim in a contract, if one is recommended, as the claim is already leased.

The financial report is desirable in order to assure the Government that the applicant has sufficient funds on hand or available to support its share of the costs in the event of a contract.

In further compliance with the Equal Opportunity regulations, we enclose three copies each of Exhibits B-1 and C. Please review and sign two copies of Exhibit B-1, and return the signed copies to this office. In the event of a contract, your drilling contractor should sign and return two copies of Exhibit C prior to execution of the OME contract. Exhibits B-1 and C are attached to the Government's and the Operator's copies of the contract.

Until we have had the opportunity to study the Field Officer's recommendations, we cannot now comment regarding the possibility of a contract to explore the Question mining claims. We will let you know as soon as possible about our decision. The above requests for information and data should not be construed as a commitment that the Government will issue a contract.

Thanks again for your letters and the report. I enjoyed talking with you during the meetings in San Francisco.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's reading file
Mineral resources
OME reading file
Region III
Mr. Kirkemo

HKirkemo/cac 11/6/72

Office of Minerals Exploration
Building 53 Room 28

November 3, 1972

Mr. Albert Harding
10726 Hatcher Road
Sun City, Arizona 85351

NOV 6 1972

Coc 120rw
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AK 120
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Re: OME-6879 (Au)
Mystic Mining Company
Question Lode Claims
Maricopa County, Arizona

Dear Mr. Harding:

Enclosed are some MME Form 52's (Lien and Subordination Agreements) for your use for the Gun Bolt claim which you presently hold under lease. For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements signed by the owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond. Enclosed is a sample copy of an executed Lien and Subordination Agreement.

During our telephone discussions this morning it seems advisable to obtain Lien and Subordination Agreements on the Gun Bolt claim even though the main fault zone cannot be traced from within 200 feet of the east end of the Question No. 1 claim due either to faulting, erosion or to ground cover. The main generally N. 75° W. striking mineralized structure could possibly apex on the Gun Bolt claim. More detailed geologic mapping in the immediate area would show whether or not the structure penetrated by the East Drill Hole Line is a faulted portion of the main structure or in just another vein lying parallel south to the main fault zone. Both veins dip south at a relatively steep angle and any exploration work on them at depth will indeed be continually southward, away from the Gun Bolt claim.

It would be wise if you would submit a financial statement to the Chief, OME assuring him that funds are available for you to meet your share of a government loan should you be offered one, as well as to inform him that your lease on the Gun Bolt claim is in order and would be, throughout the life of an exploration contract.

Enclosure
cc: Chief, OME
cc: OME-6879
OME chron
Mr. Hasler

Sincerely yours,

J. William Hasler

J. William Hasler, Field Officer, Region III
Office of Minerals Exploration

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

October 23, 1972

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Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Geological Survey
1717 H. Street, N.W.
Washington, D.C. 20242

Docket No. OME-6879

Dear Mr. Kirkemo:

In a phone conversation with Bill Hasler, on the 20th, he told me he expected to send his report to you this week, and that his recommendation would be for approval of our application. We are pleased, of course, and will keep our fingers crossed, hopeful that you will be able to concur.

Since our application in June we have had a tentative rig committment from the potential drilling contractor for a November 1st starting date. We somewhat confirmed that date with him after Bill's field examination on September 12th. However, we will contact him now and advise there will be some delay, pending your approval and the execution of a contract. I don't know what other committments he has, but hope he will be able to keep the rig available for us until we can go ahead. Because time is somewhat of the essence in this regard, if it would help in any way to expedite preparation and execution of a contract, I'd be glad to come to Washington at your convenience.

I am very enthusiastic about getting the project underway, because from our preliminary drilling last spring, I think there is a good chance we could participate in the fun of making the first valid gold discovery in a long time. From my reading, the last one in Arizona, one that made a good mine, was in 1914. It may be that except for Carlin in 1962 there have been none in this country since 1914. Just to satisfy my historical curiosity I'd be glad to receive any contrary information which you may have.

With best personal regards.

Sincerely,

MYSTIC MINING COMPANY

Al Harding

BLACK HILLS BENTONITE CO.

Manufacturers of Tower-Gel • Tower-Bond

HIGH GRADE WYOMING BENTONITE

MANAGER FOR

KAYCEE BENTONITE CORPORATION

BOX I — MILLS, WYOMING 82644

TELEPHONE 307 234-7133

HARRY T. THORSON
ALBERT C. HARDING
PARTNERS

THOMAS A. THORSON
GEN. MANAGER
LEROY E. ENGDAHL
ASST. GEN. MANAGER

OFFICIAL COPY
O. M. E.
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SEP 25 1972

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September 22, 1972

6879

Mr. Harold Kirkemo
Office of Mineral Exploration
U. S. Geological Survey
1717 H. Street, N.W.
Washington, D.C. 20242

Dear Mr. Kirkemo:

It was a pleasure to meet you last week at the EMA briefing, and I am pleased to confirm herewith my answers to a couple of questions you asked regarding our application to your office in the name of 'Mystic Mining Company'.

There is no other company or corporation involved in anyway with either our Arizona property or the application to your office, and no other individual except my partner in 'Mystic', Leith Pike of Sun City, Arizona. Twenty-five years ago I started Black Hills Bentonite Co., with a partner, Harry Thorson, as indicated above. I am still a partner therein, but gave up the general managership a few years ago. My partner's son and my son-in-law, LeRoy Engdahl, now essentially run the business. The business is relatively small, but has been successful over the years.

Our Arizona prospecting and exploration has been entirely independent and personal. I have used only my own resources, accumulated from the older business, to finance expenditures in Arizona and have enough additional available to pay my contemplated share of the proposed program, including an expected lag in contractual reimbursement. I want to reassure you regarding my personal responsibility, and for general character reference would be glad to refer you to Senator Clifford Hansen, a longtime friend.

You may find something of interest in the enclosed report, which I had the privilege of writing and reading to the Western Governors a year ago. I might especially direct your attention to pages 9 through 14, as being somewhat indicative of my enthusiasm for mining and the national need for exploration and future production.

Yours very truly,

Al Harding

ALBERT C. HARDING

71 Magnolia
Casper, Wyoming 82601

10726 Hatcher Rd.
Sun City, Ariz. 85351

September 13, 1972

SEP 15 1972

Mr. J. William Hasler
U. S. Geological Survey
Office of minerals Exploration
Room 28 - Building 53
Denver Federal Center
Denver, Colo. 80225

Ome 6879 (Au)
Mystic Mining Co
(Question Mining Claims)
Maricopa Co - Ariz

Dear Bill:

I certainly enjoyed your company on the trip to Arizona. I was unable to find the book 'Great Surveys of the American West' at the airport yesterday, but believe I may find it here in Casper today, and, if so, will mail a copy to you.

You should have a copy of my letter to you, July 23, presenting a summary of Gold values, alone, in some of the drill holes. The weighted average for 48 feet in three successive holes was $15.65, at the $65 price for Gold. And in the notes you took yesterday, we indicated that wherever we have good Gold there is little Lead-Zinc, and Vice-versa, and suggested some reasons for that. The latest book I have by Alan Bateman points out the possibility of secondary enrichment of Gold in the supergene sulphide zone, Gold dissolved by ferric sulphate in the presence sulphuric acid, salt, and manganese oxide. It seems likely that we could have such conditions on our property. Manganese oxide is quite well disseminated through our red oxidized formation, both by itself and as the pigment for making the 'black' calcite streaks. I am convinced that the Gold potential is very good. You will note in my letter of July 23rd that I have projected a Gold potential of about $10,000 per linear foot of strike, just along the 'main' vein, and you noted that on the hillside there are three veins which surface, with some possibility of a fourth, parallel.

I leave tomorrow for the San Francisco meetings and will be at the Hilton there, coming back to Casper on the 21st. Best regards, and we will be waiting for you geological 'prognosis'.

Sincerely,

Al

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IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

OFFICIAL COPY
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July 28, 1972

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

6879

Subject: Supplement to original application for: Mystic Mining Company
Question Mining Claims
Maricopa County, Arizona

Transmitted herewith is a supplement to the original report for Mystic Mining Company which was forwarded Friday, July 21, 1972. One copy has been retained in the Region III, Field Office files.

J. William Hasler
mw.

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

ALBERT C. HARDING

71 Magnolia
Casper, Wyoming 82601

~~10726 Hatcher Rd.~~
~~Sun City, Ariz. 85351~~

July 23, 1972

RECEIVED
JUL 25 1972

Mr. J. William Hasler
Office of Minerals Exploration
U. S. Geological Survey
Room 28 - Building 53
Denver Federal Center
Denver, Colo. 80225

Dear Mr. Hasler:

It is possible that information previously given to you has not sufficiently emphasized the Gold possibilities of our Arizona property. The recent strong position of Gold prices has prompted our preparation of the attached sheet, summarizing the Gold values found in three consecutive and adjacent drill holes on the West Drill Hole Line.

You will note that we have projected a potential of $10,000 or more per foot along strike for the ore shoot being explored by the West Drill Hole Line, just in gold. We are hopeful that when we reach the unoxidized portion of the shoot that there will be sulfide values in the other metals to help pay for mining and processing the gold.

With best personal regards.

Yours very truly,

MYSTIC MINING COMPANY

Al Harding

A. C. Harding

I am distressed from reading today of the untimely death of Dr. Pecora. The Nation has lost a competent friend.

7/23/72
MYSTIC MINING CO.

GOLD VALUES
HOLES 3, 4, & 9
WEST DRILL HOLE LINE

			GOLD @ $65/OZ.	
HOLE NO. 3				
67½' - 70'	2½'		$17.94	
70 - 76	6		9.16	
76 - 82	6		9.36	
82 - 88	6		17.16	
	20½'	Weighted Average		$12.63
HOLE NO. 4				
140' - 148'	8'	Weighted Average		7.21
HOLE NO. 9				
235' - 245'	10'		6.63	
305 - 310	5		6.83	
310 - 315	5		68.38	
	20'	Weighted Average		22.12
THREE HOLES	48'	Weighted Average		$15.65

Av. Vertical Thickness Per Hole 16'
Av. True Thickness (Width) 8' Perpendicular To Dip

Total Vertical Depth (315'-67½') 247.5'
Slope Depth of Ore Shoot 285' (@ 60° Dip)

Calculated Tons-Per-Foot Along Strike - (285 x 8 ÷ 12) - 190T
Amount of Gold-Per-Foot Along Strike - (190T x $15.65)- $2,974

COMMENTS

1. Only the highest Gold values have been used in above calculations. Note that in Hole No. 3 there are 30 additional feet (88'-118') with weighted average value of $3.45 in Gold.
2. Total depth has not been determined. Potential depth could exceed 1,000', which is only one-third the strike-length of surface mineralization.
3. With the best current gold values found at the deepest penetration, 310'-315', significant improvement in average gold values is possible with further exploration by deeper drilling, down dip.
4. Contemplating the above factors, there is probability that the Aver age Amount of Gold-Per-Foot Along Strike could exceed $10,000, so that each 100' along strike could exceed One Million Dollars, just in Gold.
5. Anticipation of improved Gold values at depth is based on two mineralogical premises; (a) obvious oxidation and leaching of vein area, and (b) ample presence of fine grained manganese oxide in vein area, conditions favorable to solubility of gold.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/28	RWeeks	
	Weeks	

JUL 28 1972

Mr. Albert C. Harding
Mystic Mining Company
71 Magnolia
Casper, Wyoming 82601

Re: OME-6879 (Gold)
Mystic Mining Company
Question Mining Claims
Maricopa County, Arizona

Dear Mr. Harding:

Your application for exploration assistance dated June 22, 1972, has been assigned Docket No. OME-6879. Please identify all future correspondence relating to this application by this docket number.

We enclose for your information a copy of Exhibit A, entitled "Notice to Prospective Federally Assisted Construction Contractors" which describes certain recent additional regulations and requirements. This should be filed with your copy of the application.

The application has been reviewed in this office and referred to Mr. William Hasler, Field Officer, Region III, Office of Minerals Exploration, U. S. Geological Survey, Building 53, Room 28, Denver Federal Center, Denver, Colorado 80225.

Mr. Hasler will contact you if additional information is required or to arrange for a field examination.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure
cc: Director's reading file
Mineral Resources
OME reading file
Region III

Mr. Kirkemo
Mr. Weeks

RWeeks/cac 7/28/72

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/28	R. Weeks	
	RWeeks	

JUL 28 1972

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6879 (Gold)
Mystic Mining Company
Question Mining Claims
Maricopa County, Arizona

The subject application is referred to you for further study, a field examination if warranted, and your recommendation.

Preliminary review in this office suggests that the content of eligible minerals may be less valuable than the content of the non-eligible minerals, lead and zinc. The stated average metal content also seems to be relatively low grade. The proposed pattern of exploration drilling seems rather closely spaced. In view of these, the amount of drilling proposed may exceed the possible value of the exploration target. Is there an alternate approach for this exploration project?

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo
Mr. Weeks
130

RWeeks:cac 7/28/72

ALBERT C. HARDING

~~71 Magnolia~~
~~Casper, Wyoming 82601~~

10726 Hatcher Rd.
Sun City, Ariz. 85351

February 17, 1973
MYSTIC MINING COMPANY

Docket No. OME-6879
Contract No. 14-08-0901-2308

Mr. J. William Hasler
U. S. Geological Survey
Office of Minerals Exploration
Building 53 - Room 28
Federal Center
Denver, Colorado 80225

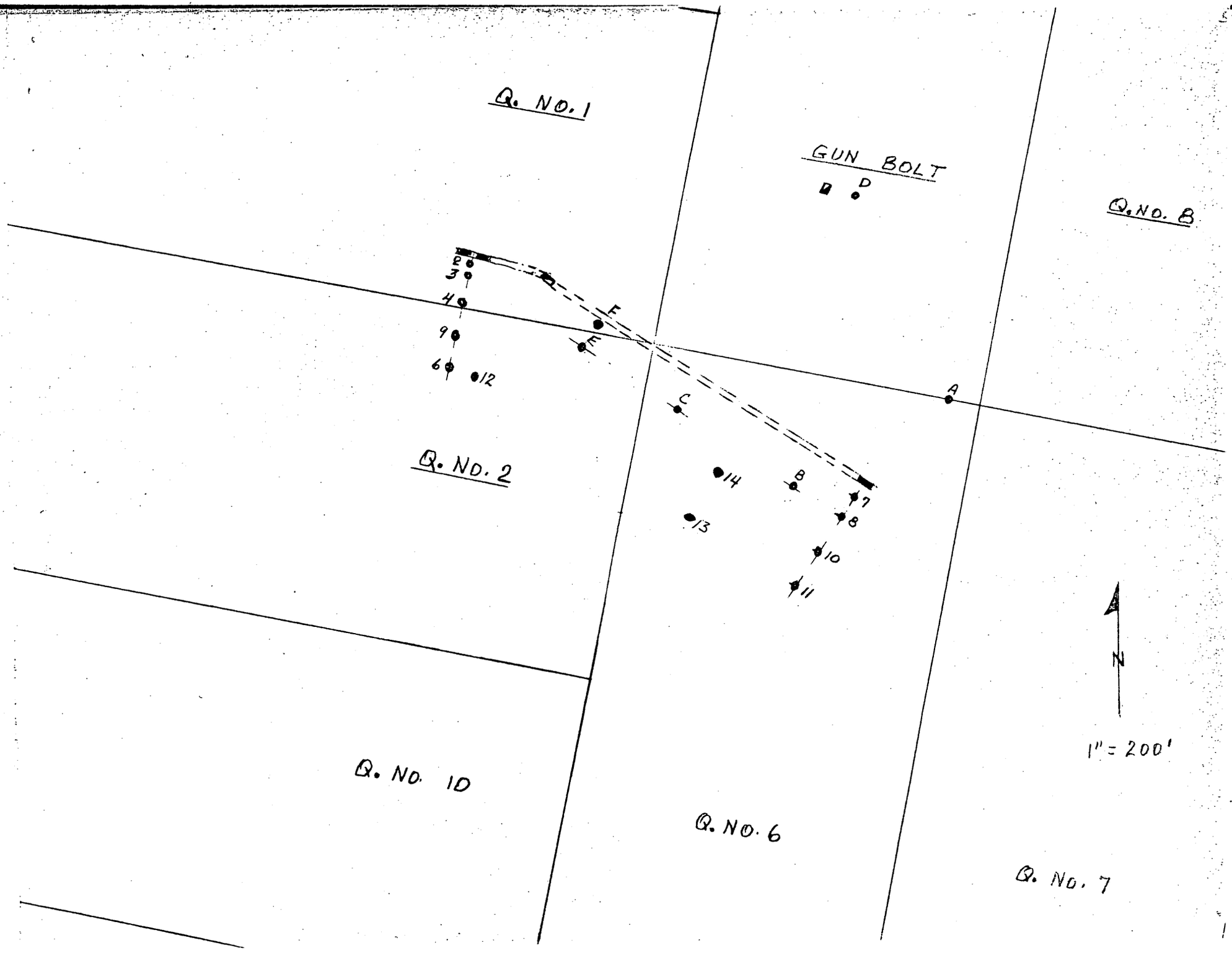
Dear Bill:

Enclosed are four copies, each:

Second Narrative Report, 2/16/73
(with Plan and Cross-section)
Laboratory Assay Reports & Hole Logs
Form 9-1648
(copies of invoices attached to original with January Administrative Suspension Statement - in the narrative we request reconsideration)

Yours very truly,

A.C. Harding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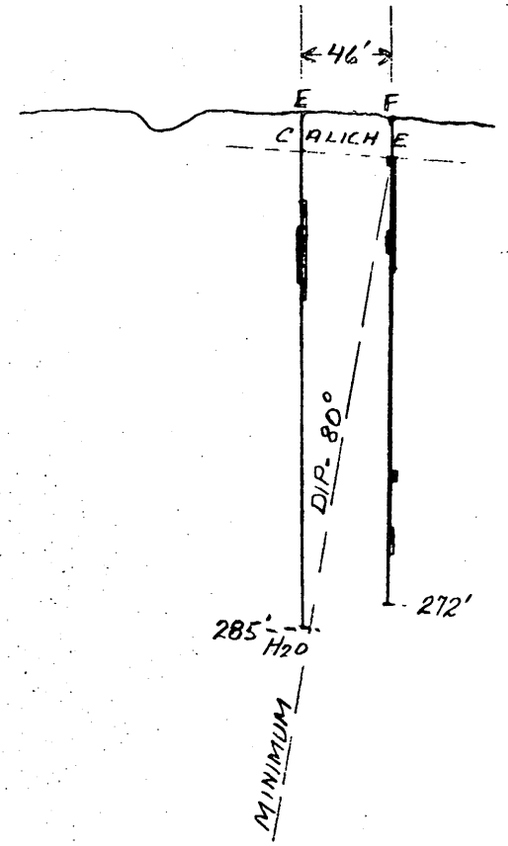
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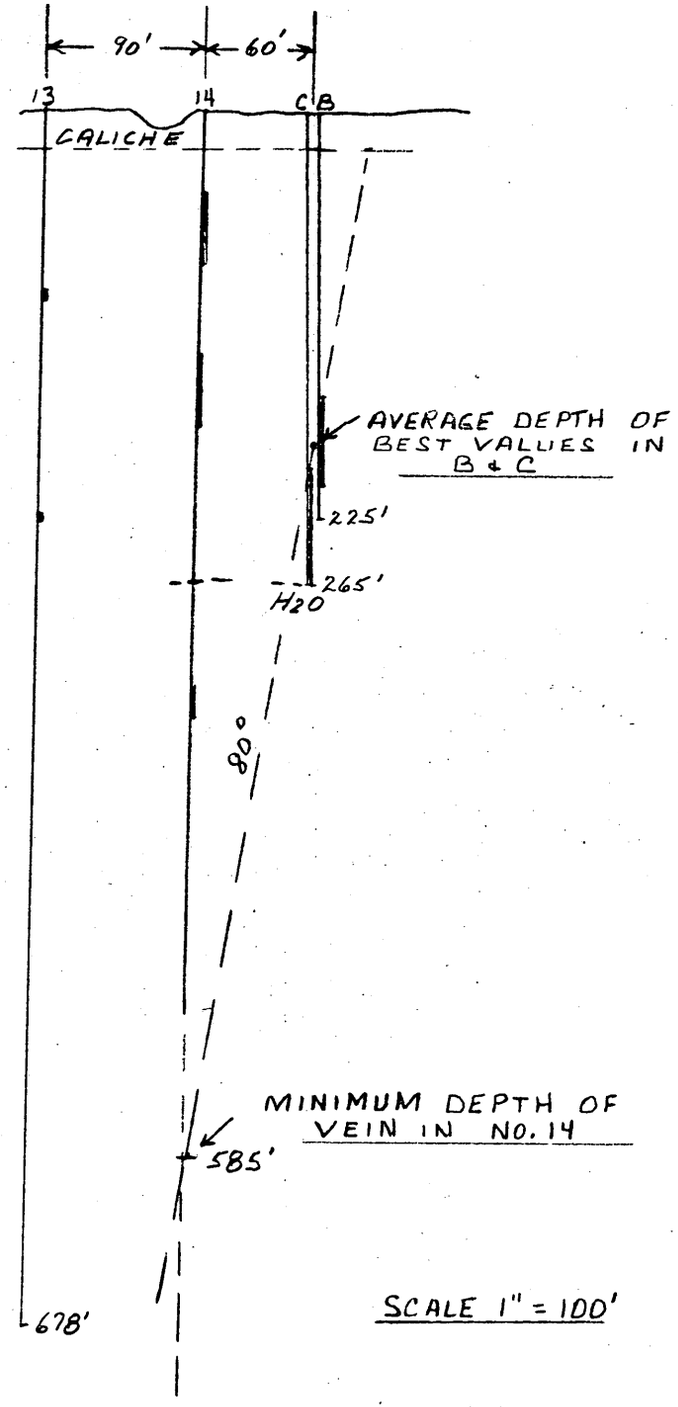

90'
60'
13
14
C B
CALICHE
AVERAGE DEPTH OF BEST VALUES IN B & C
225'
265'
H2O
80°
MINIMUM DEPTH OF VEIN IN NO. 14
585'
678'
SCALE 1" = 100'

MYSTIC MINING COMPANY
10726 Hatcher Rd.
Sun City, Ariz. 85351

Docket No. OME - 6879
Contract No. 14-08-0901-2308

SECOND NARRATIVE REPORT February 16, 1973

Hole No. 13 was terminated at 678' on February 2nd. It had been anticipated (see 'First Narrative Report') that the vein would be found at 608'. Oxidized rock was found at 604' and was believed to be the vein until laboratory reports on split cores from 604' to 657' indicated no significant increase in values.

After consultation with Mr. Hasler, agreeing that the vein could be dipping more steeply than previously anticipated, Hole No. 14 was spudded in. It is 90' northeast of No. 13 and 60' from the line between Holes C and E. It was hammer drilled to water table at 266.5' and casing was set and cemented.

While waiting to begin core drilling in No. 14, a hole was hammer drilled near Hole E to develope information about the dip which might be useful in knowing what to expect in Hole 14. In Hole E 55' between 50' and 105' had averaged $3.30, with 15' between 80' and 95' averaging $5.18. However, as reported in the First Narrative, we had been surprised to find a vein in Hole E beginning at 50', when one had been anticipated around 200'.

The existence of mineralized fractures south of the 'main vein' is now generally accepted. For instance, In Hole 13 two of the hammerdrill samples indicated some mineralization. The sample at 225'-230' tested $2.53 and the sample at 100'-105' tested $5.92. The latter values were apparently contained in about 2' of the 5' sample, as noted by visual observation of red cuttings returned during the drilling.

The new hammerdrill hole, Hole F, was drilled 46' northeast of Hole E on February 8 and 9 to 272'. A sighting along the apparent strike from the top of the shaft to the west suggested that Hole F would be just on the hanging wall

side of the main vein, concealed. We drilled through 20' of caliche, then hit the vein and stayed in it for the next 60'. From 20' to 80' the average was $2.67; the 20' from 55' - 75' averaged $4.71; and 10' at 65' - 75', $6.90.

An obvious conclusion is that the mineralized zone found at 50' in Hole E is not the main vein found in Hole F. Also, the fact that the main vein was not found deeper in Hole E indicates that the main vein is dipping more than 80°. Consequently, the projection for finding the vein in Hole 14 has to be at a depth approximating 600' or more. (At the point midway between C and E, a depth of 185' is assumed, based on the depths of the best values in those holes. Hole No. 14 is 60' south of that point. Hole E, which is 46' south of F did not find the vein at 285', so 14 will have to go 400' or more past 185'.)

At the time of writing this report Hole 14 is at 529'. Three streaks of mineralized oxidation have been encountered, believed to be in and adjacent to fractures which provided access for hypogene mineralization and subsequent oxidation and leaching. None of these has good values, but they show some improvement in descending depth. It is believed they had a common, simultaneous source, the same source which mineralized the main vein and others farther north. Between 45' and 85' only 20' were tested and aver aged $1.07; between 135' and 175', 35' averaged $1.50; between 322' and 339', 17' averaged $3.65. It is believed that these are minor fractures, perhaps paralleling the main vein. They are not very far apart, nor are the oxidized fracture areas as thick as the figures might suggest. It should be recalled that at an 80° dip, six feet of vertical measurement represents only about one foot perpendicular to the dip.

FINANCIAL

It will be recalled that the first two contract holes, 11 and 12, provided only negative information. Their sites and the originally approved sited for 13 and 14 were selected from information gained from prior drilling, which had indicated a dip of about 60°. It is now believed that the presence

of several other mineralized and oxidized zones confused the picture and that the dip is much steeper. After drilling 11 and 12 it was apparent that it would be fruitless to drill 13 and 14 farther south and deeper. The site for No. 13 was agreed upon after reviewing data obtained in Holes B, C, and E. Hole B was drilled prior to the contract date, C and E subsequent to that date. When Hole 13 did not find the vein, at a then anticipated dip of about 70°, it was agreed to move up-dip to drill Hole 14. Hole F has helped to clear some confusion in the E-F area by revealing the existence of two mineralized zones there, and also helps in projecting the probable minimum depth for Hole 14, to something exceeding 80°.

Holes C and E were disallowed on operator's January voucher. It is now requested that such disallowance be reconsidered and that Holes C, E, and F be included in the contract, as they were necessary for selecting the final sites for Holes 13 and 14.

The contract originally provided for four holes and 2,200 feet of drilling. It is requested that by including C, E, and F that the contract now include seven holes and approximately 3,000 feet of drilling.

It is also requested that we be permitted to transfer certain cost items which will not be used or notused in full to other items which will be exceeded. We will not use the full amounts allocated for 'site preparation', 'surface casing pipe','setting and pulling casing', 'casing left in hole', 'cement, drill mud and additives', 'core boxes',"sample sacks', 'fire assays', 'recheck of sample pulps". We will exceed 'hammer drilling', 'core drilling', 'prepating samples', and 'geochemical analyses".

If these requests are allowed, operator will utilize the full amount of the contract in carrying Hole 14 to estimated completion. It seems probable that the last 200' or so, plus additional laboratory work, and ½ of mobilization and demobilization will be at operator's sole expense. The contract amount should be exhausted at about 592' in Hole 14. Operator intends to carry Hole 14 to at least 750'-800' or as far as seems necessary or advisable. It should be noted that

Hole 13 drilled to 678' did not pass through the zone of heavy oxidation. Any possibility for original, unleached 'protore' or secondary enrichment should lie below that depth. It is contemplated that Hole 14 will be the last hole in the present drilling program, and that when it is completed the whole picture should be reevaluated.

Respectfully submitted,

MYSTIC MINING COMPANY

A. C. Harding

A. C. Harding

DRAFT 11/17/72
RWeeks/cac

B Weeks Raw
120
120M

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME-6879	Gold		Maricopa	Arizona

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Albert C. Harding and Leith Pike, d/b/a

Mystic Mining Company,

whose mailing address is 10726 Hatcher Road, Sun City, Arizona 85351, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 5 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ ~~26,612.00~~ 27,000.00. The Government will contribute ~~50~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $ ~~19,959.00~~ 20,250.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of ____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's right in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of the same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retains his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or Producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B, B-1 and C and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

_____

_____

_____

_____

Executed in Quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

MYSTIC MINING COMPANY
(Operator)

By _____

By _____
Director, U.S. Geological Survey

Title _____

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that
(Name)

_____, who signed this contract on behalf of the Operator, was then
(Title)

_____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

EXPLORATION CONTRACT
ALBERT C. HARDING AND LEITH PIKE d/b/a
MYSTIC MINING COMPANY
OME-6879

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the Contract consists of eleven (11) unpatented lode mining claims in sections 11 and 12, T. 5N., R. 1W., Gila and Salt River Meridian, Maricopa County, Arizona. These claims are recorded in the official records of Maricopa County at Phoenix, Arizona, as follows:

Claim Name	County Docket No.	Page
Question No. 1	9189	256
Question No. 2	9189	257
Question No. 3	9213	671
Question No. 4	9213	672
Question No. 5	9213	673
Question No. 6	9234	682
Question No. 7	9234	683
Question No. 8	9234	684
Question No. 9	9234	685
Question No. 10	9121	866
Gun Bolt	9264	525

These claims are shown on Figure 1, entitled "Mystic Mining Company Question Lode Claims, Maricopa County, Arizona," which is attached and made part hereof.

The Operator is in possession of the Question No. 1 - No. 10 claims by right of location, and of the Gun Bolt claim by virtue of a Mining Option and Lease Agreement dated February 18, 1972, between N. O. White, Florette White and Richard White, owners, and the Operator.

A Lien and Subordination Agreements dated November 6, 1972, executed by N. O. White, Florette White, and Richard White is attached and made part hereof.

EXPLORATION CONTRACT
ALBERT C. HARDING and LEITH PIKE d/b/a
MYSTIC MINING COMPANY
OME-6879

EXHIBIT A

The purpose of the project is to explore by drilling for gold-bearing ores in a mineralized fault zone cutting Precambrian schists at the south end of the Hieroglyphic Mountains near Sun City, Maricopa County, Arizona. The principal objectives are secondarily enriched deposits associated with present or former water tables.

General Provisions

Drill sites and access roads are to be prepared with due regard to maintaining the surface values of the land. Upon completion of the work the Operator shall restore to its approximate original condition any area disturbed by the project work.

The holes shall be drilled with a down-hole air hammer drill from the surface to the water level, and continued downward by diamond core-drilling. Core-drilling shall be completed not less than NX core size or equivalent wire line size (NQ).

Casing shall be used as necessary.

The Government will not contribute to the cost of incomplete holes, or to casing left in the hole at the Operator's request.

A representative sample of the cuttings obtained from hammer-drilling shall be collected for each five-foot interval of hole drilled, and shall be split with one split tested by geochemical methods for gold, silver, copper, lead, and zinc content. The remaining sample shall be appropriately labeled and stored.

All diamond drill core shall be logged and split. No split samples shall represent more than 5 feet of hole. One split of each sample shall be tested by geochemical methods for gold, silver, copper , lead, and zinc content. The remaining splits shall be stored in boxes identified by hole number with markers in the core sections indicating the depths represented.

The stored samples of drill cuttings and core shall be available for additional analyses, and for Government inspection and possible use. Stored samples may be disposed of only with prior approval of the Government.

Preliminary geochemical analyses of the samples will be used to identify sample intervals that contain significant mineralization. Subsequent geochemical analyses may be obtained to confirm the preliminary determinations. Fire assay analysis may be used to determine the content of gold and silver.

True copies of certificates of assay or analysis of all samples, logs of the drilling completed, and maps or sketches showing the location of all samples collected and assayed or analyzed shall be submitted with the Operator's monthly reports.

Description of the Work

The work shall consist of preparing four surface drill sites, and drilling one vertical hole at each site for an estimated drilling total of 2200 feet. The approximate locations of the holes to be drilled, numbers 11, 12, 13, and 14, are shown on Figure 2, entitled "Map Showing Proposed Drilling," which is attached and made part hereof.

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

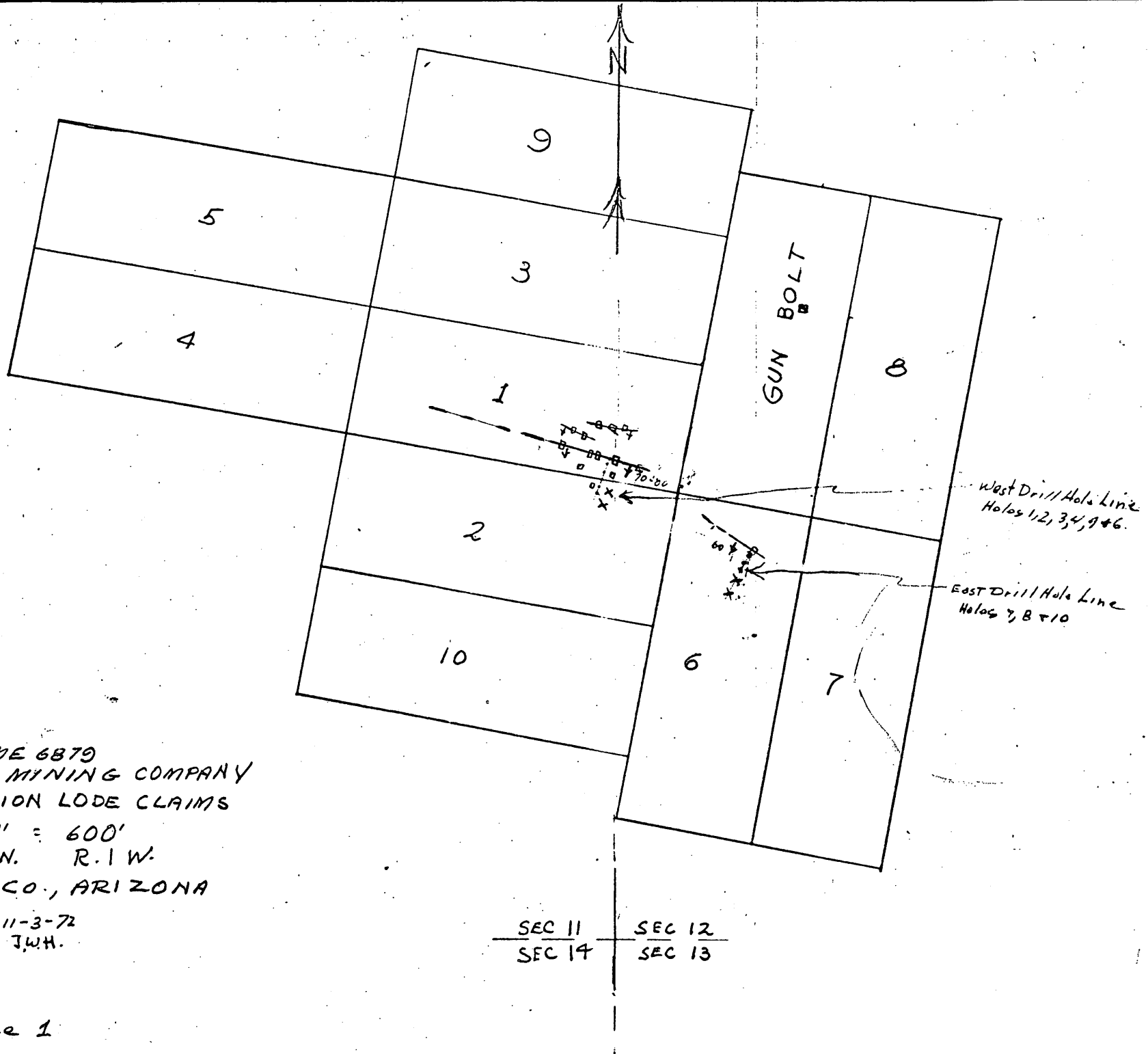
Drilling

Mobilization and demobilization	$200.00	
Site preparation	200.00	
Surface casing pipe, 50 feet @ $7.40/ft.	370.00	
Hammer drilling 1200 feet @ $5.00/ft.	6,000.00	
Core drilling - NXWL (NQ) 1000 feet @ $9.75/ft.	9,750.00	
Setting and pulling casing, 45 hours @ $35.00/hr.	1,575.00	
Casing left in hole, 300 feet @ $1.24/ft.	372.00	
Cement, drill mud, and additives, 75 sacks of materials at driller's invoice prices	500.00	
Total Category 1		$18,967.00

Category 7 - Miscellaneous

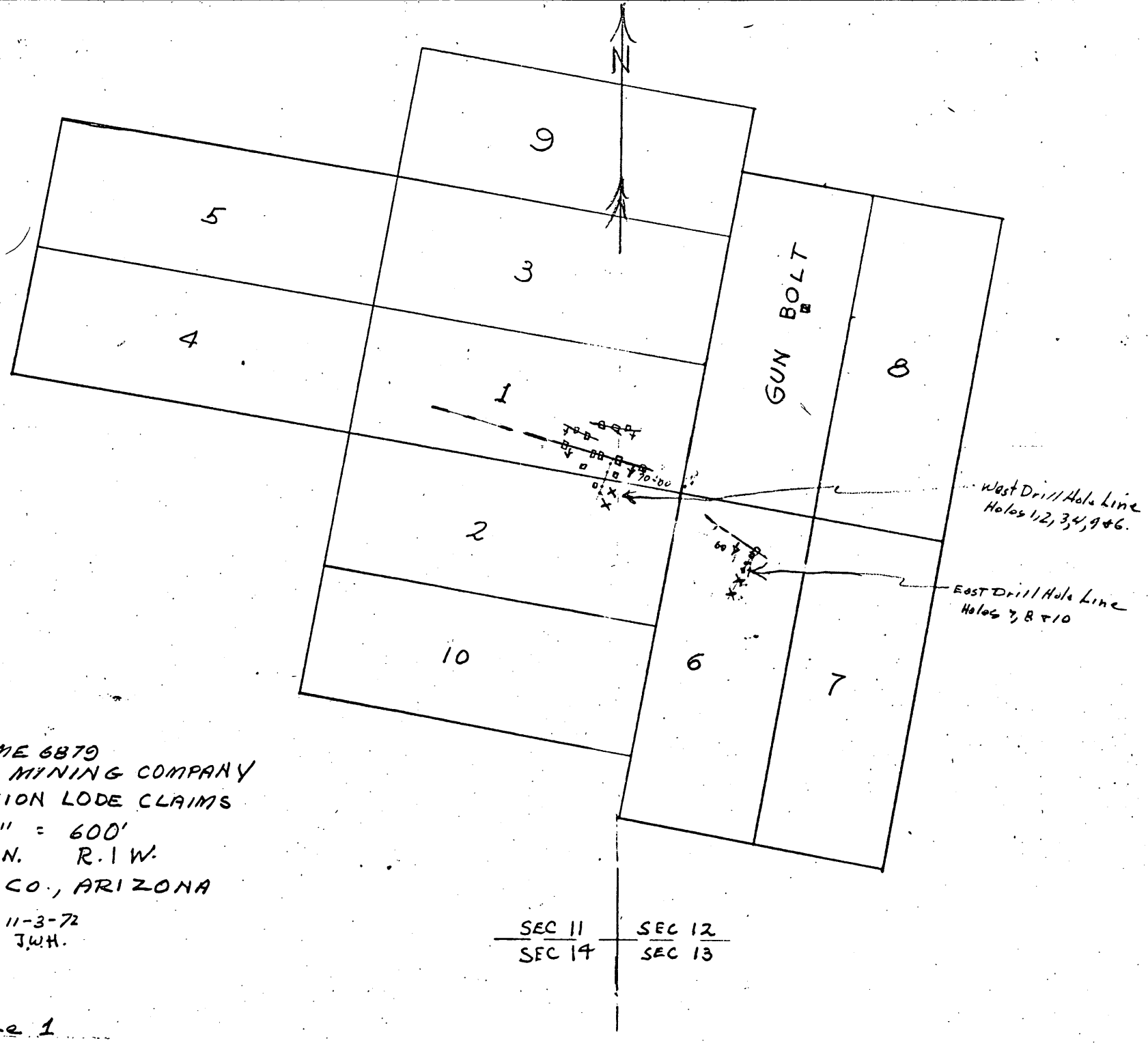
Preparing samples for analysis, 315 samples @ $1.00	$315.00	
Geochemical analysis for gold, silver, copper, lead, zinc, 315 samples @ $4.75/sample	1,496.25	

Recheck of sample pulps if individual values exceed:		
Au greater than 1 ppm, or		
Ag greater than 30 ppm, or		
Pb greater than 3,000 ppm, or		
Zn greater than 3,000 ppm		
750 determinations @ $3.00 each	$2,250.00	
Fire assaying for gold and silver,		
15 samples @ $4.40/sample	66.00	
Cardboard core boxes,		
100 @ $1.15 each	115.00	
Sample sacks,		
850 averaging about $0.28	240.75 (rounded)	
Total Category 7		4,483.00
Total Actual Costs		$23,450.00
Fixed Unit Costs		
1 Supervisor,		
2 months @ $1,000.00/month	$2,000.00	
1 sampler,		
2 months @ $500.00/month	1,000.00	
Payroll taxes, 15% of $3,000.00	450.00	
Office expense,		
2 months @ $50.00/month	100.00	
Total Fixed Unit Costs		$3,550.00
Total Estimated Cost of the Project		$27,000.00
Government participation at 75%		$20,250.00



OME 6879
MYSTIC MINING COMPANY
QUESTION LODE CLAIMS
1" = 600'
T. 5 N. R. 1 W.
MARICOPA CO., ARIZONA
11-3-72
J.W.H.

Figure 1



OME 6879
MYSTIC MINING COMPANY
QUESTION LODE CLAIMS
1" = 600'
T. 5 N. R. 1 W.
MARICOPA CO., ARIZONA

11-3-72
J.W.H.

Figure 1

LOGS AND

LABORATORY REPORTS

To Feb. 17, 1973

MYSTIC MINING COMPANY

Docket No. GME-6979
Contract No. 16-08-0001-2308

Note: In each sample number the first number or letter identifies the exploration hole.
The other number or numbers indicates the interval below the surface.
Core drill samples have two such numbers, indicating top and bottom depth of the sample.
Hammer drill samples have one such number, indicating bottom depth when multiplied by 5, and were taken at five-foot intervals.

Logs

Hole 13

Hammer Drill to 301' - Jan. 18+19
Core Drill to 678' - Jan. 20 - Feb. 2

0-25	Caliche
25-100	Gray schist
100-105	Includes 2' Red
105-131	Gray schist
131-135	Browner
135-301	Gray - with occasional thin streaks of Brown + Red.
301-604	Gray schist, with many thin streaks (fractures) of heavier Brown to Red oxidation.
604-657	More oxidation and more friable - some Mn. - Believed this was vein area.
657-678	Gray schist - still some oxidation in fractures

Hole F

Hammer Drill to 272' - Feb. 8 + 9

0-20	Caliche
20-70	Brown oxidized schist, last 10' Redder to Red
70-75	Red to Gray - soft
75-80	Gray - soft
80-115	Mostly gray - some brown + red.
115-272	Mostly gray, but frequent brown to red dust + mixed cuttings. Did not quite drill to water level.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

January 18, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

REPORT OF GEOCHEMICAL ANALYSIS

Sample	Gold	Silver	Copper	Lead	Zinc
C-3.6	Nil	1 ppm	30 ppm	30 ppm	45 ppm
C-5	Nil	1	45	370	700
C-6	0.4 ppm	1	45	1000	2500
C-7	0.5	2	60	95	190
C-8	0.1	1	50	85	210
C-9	0.1	1	70	100	170
C-10	Nil	1	60	40	130
C-11	Nil	1	60	25	70
C-12	0.2	1	100	420	270
C-13	0.2	1	65	130	175
C-14	0.1	1	50	120	520
C-15	Nil	1	45	170	270
C-16	Nil	2	40	480	950
C-17	0.1	1	50	530	730
C-18	1.4	1	80	0.30%	0.31%
C-19	0.5	1	80	0.36%	0.38%
C-20	1.5	1	50	1250 ppm	2240 ppm
C-21	0.5	1	50	1400	1790
C-22	0.3	1	80	1060	1750
C-23	0.8	2	75	2800	1.09%
C-24	0.1	1	60	500	1400 ppm
C-25	0.1	1	45	220	500
C-26	0.1	1	70	410	1100
C-27	0.2	1	50	900	0.45%
C-28	0.2	1	65	570	1300 ppm
C-29	0.9	2	80	470	1830
C-30	0.2	1	45	750	960
C-31	0.1	1	65	1100	1080
C-32	0.2	2	95	830	850
C-33	0.1	2	60	980	1000
C-34	0.1	1	65	280	320
C-35	0.1	20	70	420	540
C-36	Nil	2	60	90	130
C-37	0.1	2	35	360	590
C-38	0.1	1	30	520	630
C-39	0.1	8	40	780	2200
C-40	0.1	1	35	900	1220
C-41	0.1	1	430	0.53%	2.80%

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

January 18, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351

REPORT OF GEOCHEMICAL ANALYSIS

Sample	Gold	Silver	Copper	Lead	Zinc
C-42	0.1 ppm	1 ppm	450 ppm	0.37%	1.17%
C-43	0.1	2	85	700 ppm	1920 ppm
C-44	0.1	2	620	0.85%	1.22%
C-45	0.1	2	560	1.30	1.70
C-46	0.3	1	450	0.60	1.25
C-47	0.2	1	270	0.42	0.87
C-48	0.1	2	120	0.30	0.48
C-49	0.1	2	190	0.31	0.66
C-50	0.1	2	70	2800 ppm	0.36
C-51	0.1	2	72	0.39%	0.35
C-52	0.2	2	430	1.85	1.11
C-53	0.3	2	380	1.80	1.11

Respectfully submitted,

ATL TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

January 23, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351
Lab. No. 3766

REPORT OF CEOCHEMICAL ANALYSIS

Sample	Gold	Silver	Copper	Lead	Zinc
E-7	.1 ppm	1 ppm	110 ppm	830 ppm	1200 ppm
E-8	.1	1	70	880	1280
E-9	.1	1	180	1100	1600
E-10	.1	1	130	1100	1300
E-11	.2	1	110	0.34%	2000
E-12	.1	1	125	0.30	2300
E-13	.1	1	150	2800 ppm	0.43%
E-14	Nil	1	165	2500	0.70
E-15	.1	1	135	2300	0.50
E-16	Nil	1	200	2000	0.38
E-17	.2	1	610	2400	0.98
E-18	.1	1	500	1100	1.00
E-19	.1	2	400	650	1.30
E-20	.1	1	250	580	0.57
E-21	.1	2	110	960	0.49
E-22	.2	1	70	260	1600 ppm
E-23	.2	1	50	380	2200
E-24	.3	1	85	400	1900
E-25	.1	1	40	570	1550
E-26	.1	1	40	690	1600
E-27	.1	1	55	530	1500
E-28	.4	1	80	490	1000
E-29	.1	2	55	290	760
E-30	.1	1	55	420	1100
E-31	.1	1	65	330	1050
E-32	.1	1	95	350	850
E-33	.1	1	70	270	650
E-34	.1	1	40	480	1300
E-35	.1	1	65	310	600
E-36	.1	2	65	500	500
E-37	.1	1	50	370	320
E-38	.1	2	55	1600	560
E-39	.1	1	45	2200	1000
E-40	.1	1	25	1500	910
E-41	.1	1	30	1700	750
E-42	.1	1	35	980	920

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

January 23, 1973

Mystic Mining Company
Page 2
Lab. No.3766

Sample	Gold	Silver	Copper	Lead	Zinc
E-43	.1 ppm	1 ppm	45 ppm	760 ppm	980 ppm
E-44	.1	1	50	560	770
E-45	.1	1	65	300	390
E-46	.2	1	60	300	600
E-47	.1	1	75	270	400
E-48	.1	1	55	260	430
E-49	.1	1	65	160	690
E-50	.1	2	40	460	1300
E-51	.1	1	60	340	670
E-52	.1	1	85	600	800
E-53	.1	1	95	350	630
E-54	.1	1	95	190	510
E-55	.1	2	145	830	1150
E-56	.1	1	170	520	770
E-57	.1	1	85	300	540

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

CEM:vo

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

January 30, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arz.

Lab No. 3804

REPORT OF CEOCHEMICAL ANALYSIS

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
13-7	Nil	1 ppm	70 ppm	650 ppm	400 ppm
13-13	Nil	1	90	80	145
13-17	Nil	1	90	290	390
13-19	0.1 ppm	1	70	900	490
13-21	0.1	1	170	0.49%	1.10%
13-25	nil	1	55	110 ppm	170 ppm
13-27	nil	1	50	750	790
13-28	nil	1	50	1100	1130
13-30	nil	1	50	410	500
13-31	nil	1	60	950	720
13-32	nil	1	60	100	170
13-38	nil	1	55	890	1850
13-40	nil	1	50	420	430
13-41	nil	2	40	420	460
13-45	nil	1	45	560	600
13-46	nil	1	80	2300	0.46%
13-47	nil	1	60	470	680 ppm
13-48	nil	1	60	1000	770
13-49	nil	1	60	1100	800
13-50	nil	1	60	350	450
13-60	nil	1	55	45	150
13-470-475	0.1 ppm	1	60	130	210
13-475-480	nil	1	45	90	300
13-489-493	nil	2	65	270	540
13-493-497	nil	3	80	370	680

Respectfully submitted,
ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.

CEM:vo

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona

Date February 2, 1973

Sample of Ore

Received: ---

Submitted by: same

ASSAY CERTIFICATE

Gold figured at $ 38.00 per ounce

Silver figured at $ 2.00 per ounce

LAB. NO.	IDENTIFICATION	GOLD		SILVER		PERCENTAGES		
		OZ. PER TON	VALUE	OZ. PER TON	VALUE	COPPER	LEAD	ZINC
3823	13-604-609	Nil		2		35	280	640
	13-609-614	0.1		1		40	120	460
	13-614-619	Nil		1		45	140	820
	13-619-624	Nil		2		75	410	1300
	13-624-629	Nil		1		60	580	390
	13-629-634	Nil		1		55	310	330
	13-634-639	Nil		1		50	70	250

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr.
V.P.

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES

A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

For Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona

Date February 5, 1973

Sample of Ore

Received: ---

Submitted by: same

ASSAY CERTIFICATE

Gold figured at $ 38.00 per ounce

Silver figured at $2.00 per ounce

LAB. NO.	IDENTIFICATION	GOLD		SILVER		PERCENTAGES		
		OZ. PER TON	VALUE	OZ. PER TON	VALUE	COPPER	LEAD	ZINC
3831	13-639-647	0.2 ppm		1 ppm		110ppm	40ppm	230ppm
	13-647-653	0.1		1		125	50	220
	13-653-657.5	0.1		Nil		65	60	220

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean, Jr. V.O.

Claude E. McLean, Jr.

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

February 15, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351
Lab No. 3757

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
14-2	.2ppm	2ppm	30ppm	340ppm	75 ppm
14-3	N	2	35	120	140
14-4	.1	1	55	100	100
14-5	.1	1	50	110	110
14-6	.1	1	65	120	160
14-7	.1	1	60	110	160
14-9	.1	1	60	640	400
14-10	.1	1	80	1600	1500
14-11	.2	1	140	680	1100
14-14	.1	1	110	200	280
14-17	N	1	95	2700	700
14-21	.1	1	65	220	150
14-22	.1	1	85	70	170
14-24	.2	1	100	660	400
14-25	.1	1	85	480	370
14-28	.2	1	120	2400	2100
14-30	N	2	80	650	1100
14-31	N	3	75	1900	0.39%
14-32	N	2	80	1800	0.45%
14-33	N	2	50	450	750
14-34	N	2	50	1400	1700
14-35	N	2	55	1600	1900
14-36	N	1	70	730	1000
14-37	.2	1	60	480	700
14-38	.2	2	70	280	370
14-53	N	2	65	140	160
F-1	.1	1	45	110	220
F-2	.2	1	40	170	240
F-3	N	1	30	70	100
F-4	.1	1	30	100	190
F-5	.2	1	60	0.31%	0.73%
F-6	N	1	50	870	1400
F-7	N	1	50	2600	1000
F-8	N	1	50	1700	600

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

February 15, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351
Lab No. 3757

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
F-9	Nppm	1ppm	50ppm	2000ppm	550ppm
F-10	.1	2	55	2700	800
F-11	.1	2	65	0.34%	1500
F-12	.2	2	60	2700	1900
F-13	.3	1	100	2800	0.39%
F-14	.9	2	240	0.36%	1.12%
F-15	.6	2	150	0.75%	0.84%
F-16	.1	1	80	0.35%	1200
F-17	.2	1	65	650	420
F-18	.2	1	65	520	360
F-19	.2	1	55	660	450
F-20	.2	1	65	210	280
F-21	.2	1	100	130	200
F-22	N	4	40	460	380
F-23	.1	1	50	350	420
F-24	.1	1	40	150	170
F-25	.1	1	65	110	110
F-26	.1	1	70	120	150
F-27	.2	2	60	270	200
F-28	.1	1	50	520	900
F-29	.2	1	40	230	370
F-30	.3	1	75	50	120
F-31	.1	1	60	40	100
F-32	.1	1	60	30	80
F-33	.1	1	70	40	90
F-34	.1	1	80	110	80
F-35	.1	1	80	40	70
F-36	.1	1	80	20	80
F-37	.1	2	80	20	700
F-38	.1	1	40	100	150
F-39	.2	1	65	60	190
F-40	.1	1	100	40	120
F-41	1.2	1	110	110	160
F-42	.1	1	100	60	150

ARIZONA TESTING LABORATORIES
A DIVISION OF CLAUDE E. McLEAN & SON LABORATORIES, INC.
817 WEST MADISON ST. PHOENIX, ARIZONA 85007 PHONE 254-6181

February 15, 1973

Mystic Mining Company
10726 Hatcher Road
Sun City, Arizona 85351
Lab No. 3757

Sample	GOLD	SILVER	COPPER	LEAD	ZINC
F-43	.3ppm	1ppm	85 ppm	110ppm	420ppm
F-44	.1	1	95	120	190
F-45	.1	1	80	100	160
F-46	.1	2	70	400	700
F-47	.2	2	70	510	2200
F-48	.2	1	100	840	750
F-49	.2	1	150	2500	1.08%
F-50	.1	1	90	350	1100
F-51	.1	2	70	270	400
F-52	.1	1	75	420	650
F-53	.2	1	100	470	700
F-54	.2	1	55	250	400

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

Claude E. McLean, Jr.

CEM:cw

Standard Form No. 65
November 1961
General Services Administration
FPMR (41 CFR) 101-11.6

U.S. Government Messenger Envelope

INSTRUCTIONS FOR USE

1. Void Previously Used Block
2. Identify Agency of Addressee
3. Write Clearly
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Report to Western Governors Conference

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
~~Ed Tooker~~ ~~4236 GSA~~	STOP		STOP
D. Kirkemo Rm 865 Matomic Bldg.	STOP		STOP
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Use other side

Use STOP only when messenger service between Government buildings in Washington, D.C., is required or wherever a STOP system is used. Your mail room has STOP information.

65-107

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
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Use other side first

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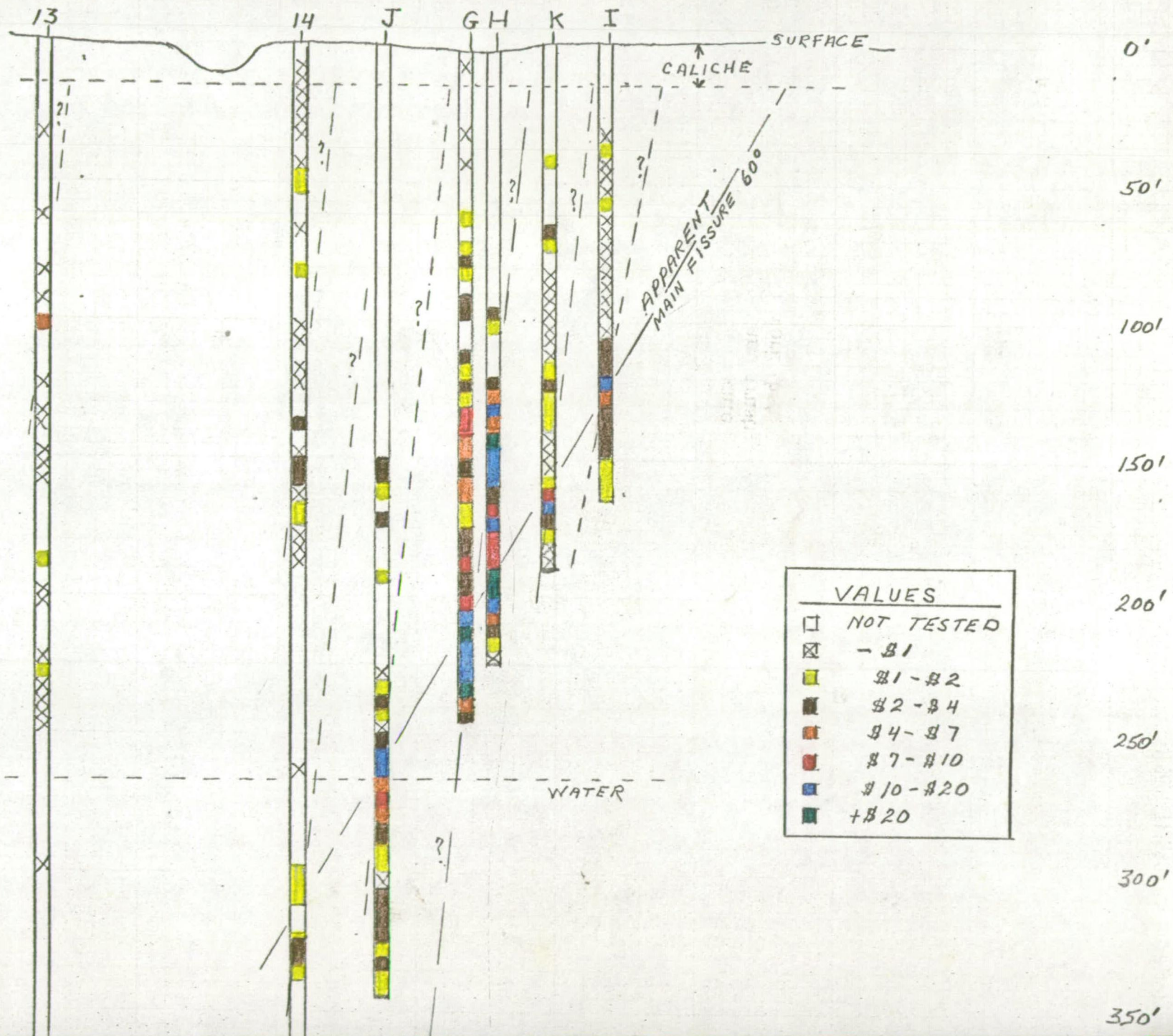
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SURFACE
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VALUES
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$2 - $4
$4 - $7
$7 - $10
$10 - $20
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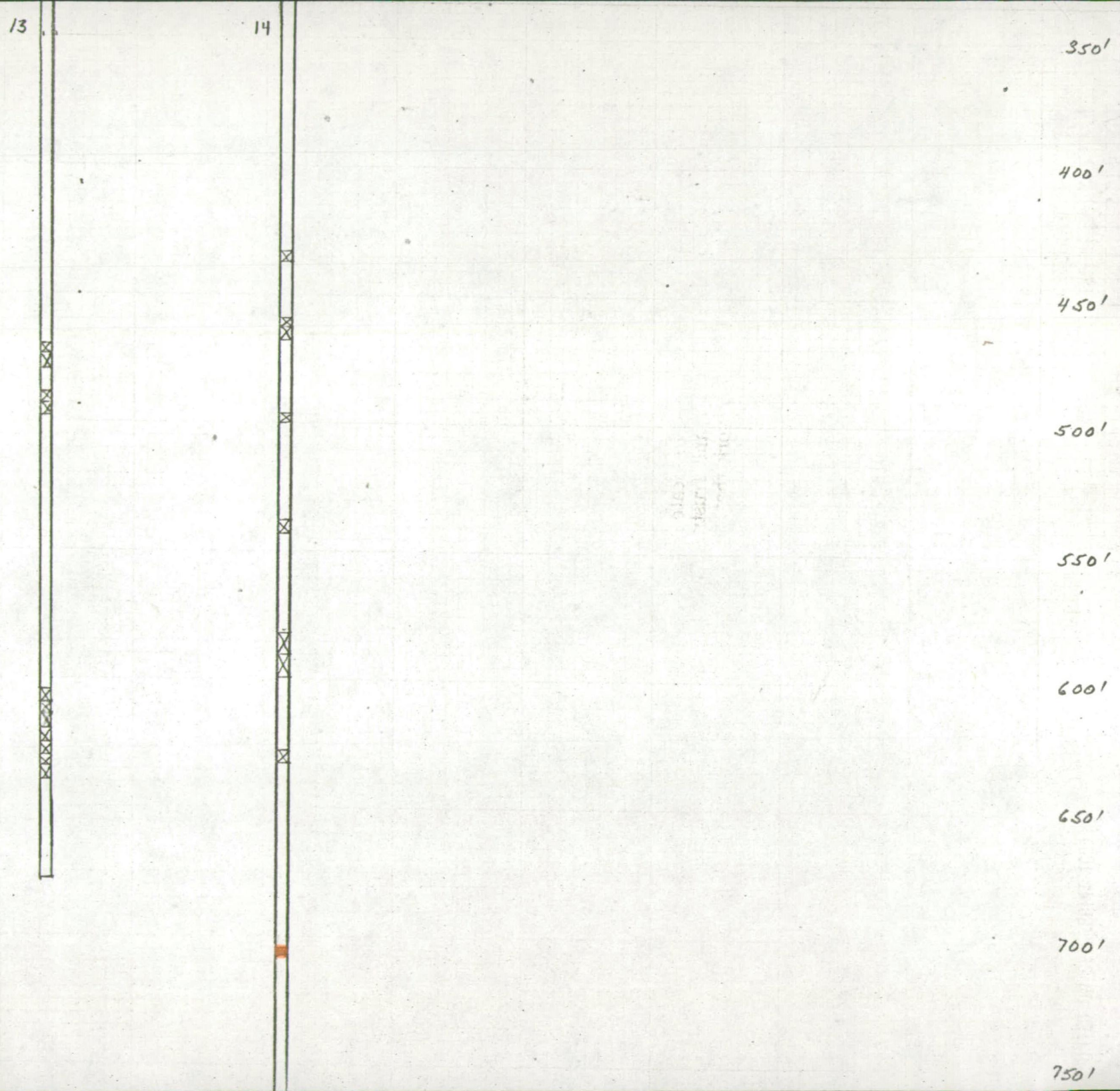
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1150'

1200'

Depth on 5-7-73

1250'

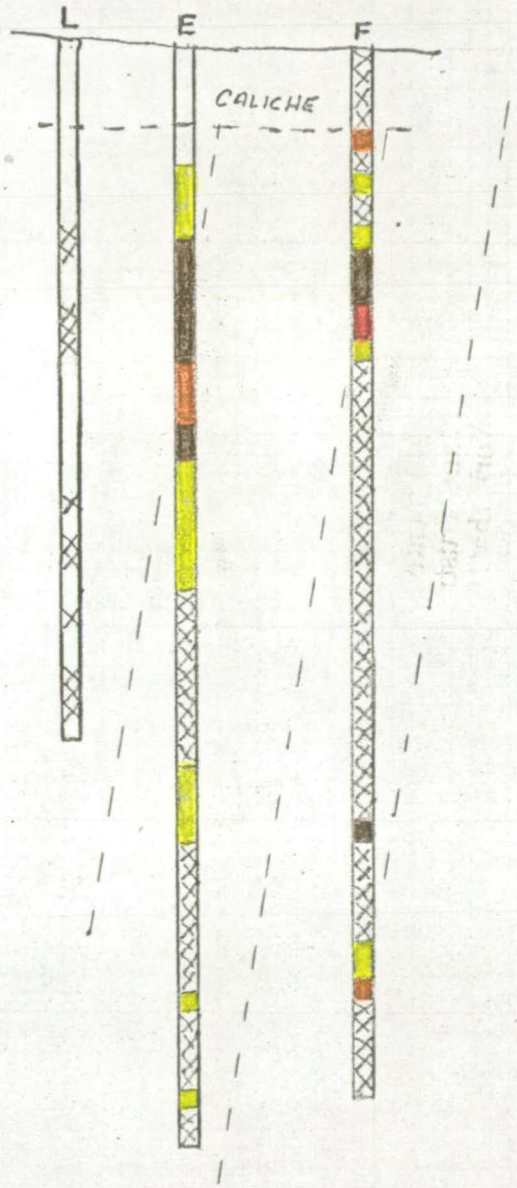
1300'

1350'

1400'

1450'

1500'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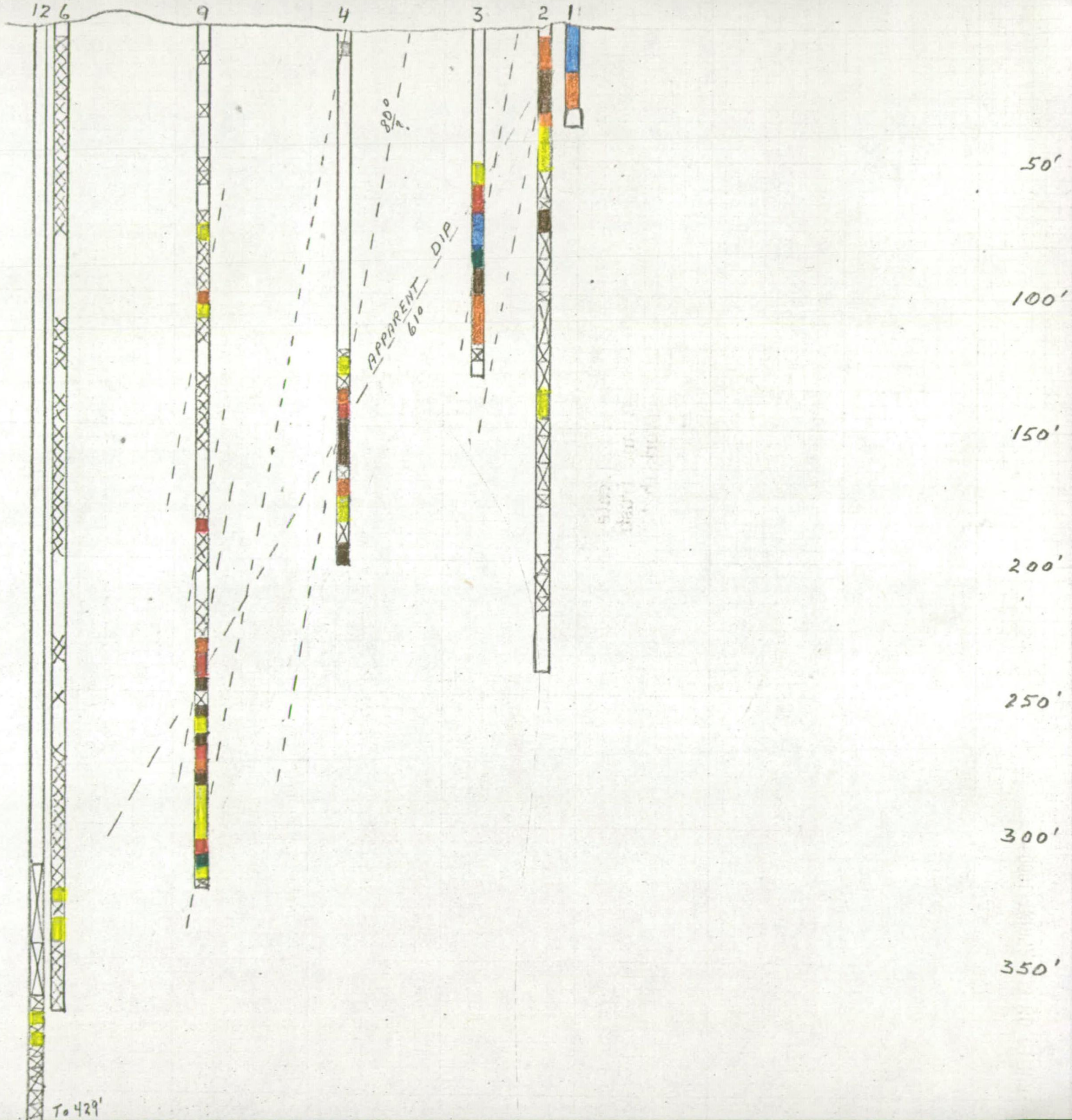
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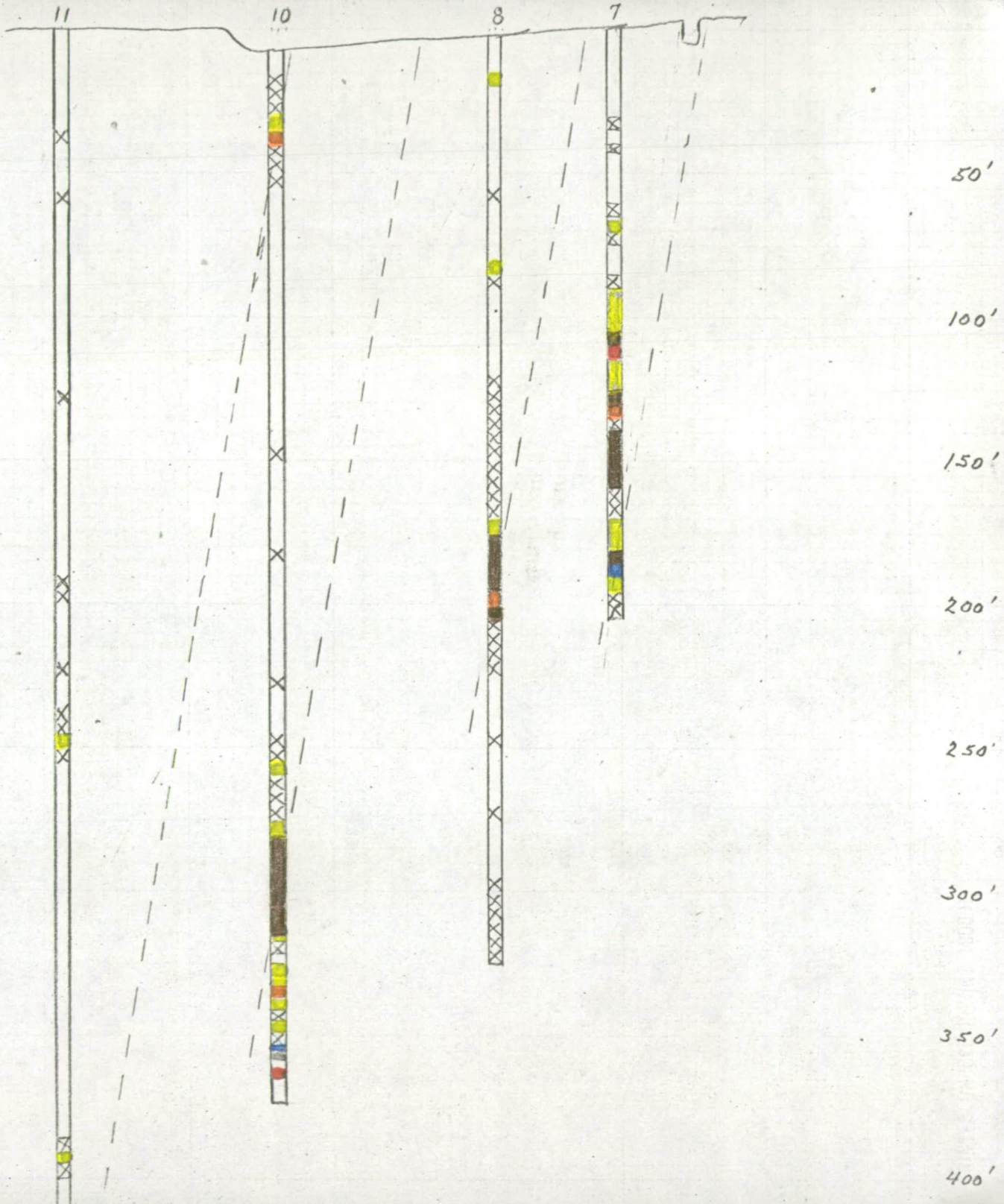
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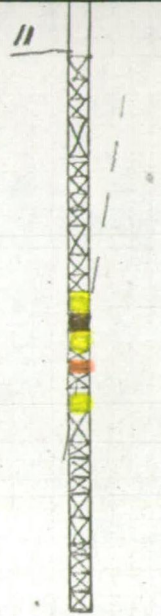
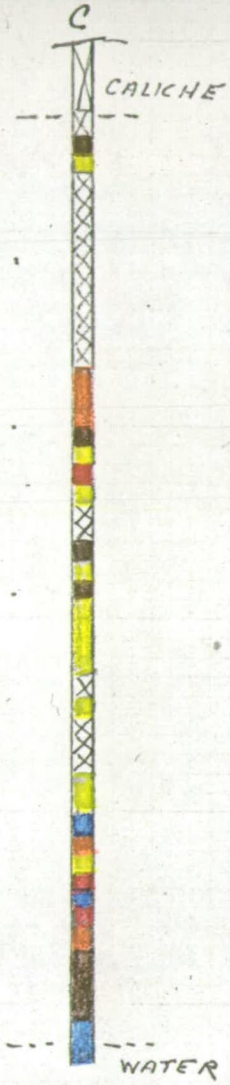


400'

450'

500'

550'



50'

100'

150'

200'

250'

300'

LOOKING SOUTH ALONG EAST DRILL HOLE LINE
HOLES 7 & 8 --- HOLE 10 IS IN GULCH

HOLES 8 & 10 ON EAST DRILL HOLE LINE

LOOKING NORTH FROM HOLE NO. 2
DUMP IN BACKGROUND IS ON NORTH VEIN

VIEW TO EAST FROM HOLE NO. 2
JEEP AND STORAGE SHED ABOUT CENTER - EAST DRILL HOLE LINE 800'

LOOKING NORTH FROM ACCESS TRAIL - TWIN BUTTES AT LEFT
ESCARPMENT AT RIGHT

LOOKING WEST FROM HOLE NO. 2
SHALLOW CUT SHOWS OXIDATION AND SOUTHERLY DIP

LOOKING SOUTH ALONG WEST DRILL HOLE LINE
HOLES 2, 3, 4, & 9 - HOLE 6 IS BEHIND PALO VERDE TREE

LOOKING NORTH ALONG WEST DRILL HOLE LINE
HOLES 6, 4, 3, & 2 -- HOLE 9 is BEHIND PALO VERDE TREE